

uMLALAZI MUNICIPALITY



BUDGET AND MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) COMMENCING IN 2016/2017

24 MAY 2016

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ABBREVIATIONS AND ACRONYMS

COGTA	-	Co-Operative Governance and Traditional Affairs
CPI	-	Consumer Price Index
CRR	-	Capital Replacement Reserve
DORA	-	Division of Revenue Act
GRAP	-	Generally Recognised Accounting Practice
IBT	-	Inclining Block Tariff
IDP	-	Integrated Development Plan
KDS	-	King Dinuzulu Suburb
KWH	-	Kilowatt Hour
LED	-	Local Economic Development
LG	-	Local Government
MIG	-	Municipal Infrastructure Grant
MFMA	-	Municipal Finance Management Act
MPRA	-	Municipal Property Rates Act
MSIG	-	Municipal Systems Improvement Grant
MTREF	-	Medium Term Revenue and Expenditure Framework
NERSA	-	National Electricity Regulator of South Africa
PMU	-	Project Management Unit
PPE	-	Property Plant and Equipment
SALGA	-	South African Local Government Association
SALGBC	-	South African Local Government Bargaining Council
SDBIP	-	Service Delivery and Budget Implementation Plan

1. MAYOR'S REPORT

BUDGET SPEECH BY HIS WORSHIP, THE MAYOR, CLLR TB ZULU, FINAL 2016/17 MTREF BUDGET TO COUNCIL 24 MAY 2016

Madame Speaker,
Amakhosi ahloniphekile aseNdlukulu,
Honourable Councillors and Officials,
Members of the Public

I wish to present an overview of the Medium Term Revenue and Expenditure Framework (MTREF) Budget starting in 2016/2017 financial year, for the uMlalazi Municipality.

Madame Speaker, I present this 2016/17 MTREF Budget at a time when our beloved country as well as our region has and continues to endure its own fair share of the repercussions emanating from global economic downturn. It is however, pleasing to note that measures put in place by our national government led by His Excellency, President JG Zuma and the Minister of Finance, Honourable Pravin Gordhan have yielded some positive results as far as rating by Moody's is concerned which came up with results that saw our country staying away from junk status.

Madame Speaker the 2016/17 Division of Revenue Bill (DORA) which was published in February this year is also an indication that things are not as bad as they are sometimes portrayed to be. I say this Madame Speaker in light of the fact that all our major grants from Government such as Equitable Share Grant, Municipal Infrastructure Grant (MIG), Expanded Public Works Program (EPWP) Grant, Finance Management Grant (FMG) remained as previously promulgated which overall increased compared to 2015/16 financial year as follows:

Grant Description	2015/2016	2016/2017
Equitable Share Grant	R145.5 million	R148.1 million
Municipal Infrastructure Grant	R39.09 million	R38.5 million
Expanded Public Works Grant	R3.037 million	R2.924 million
Finance Management Grant	R1.6 million	R1.625 million
Electrification Grant (INEP)	R8 million	R8 million
TOTAL	R197.2 million	R199.1 million

Madame Speaker, we can never forget that the freedom and democracy we enjoy today was achieved through sweat and blood from heroes and heroines who sacrificed a lot for us to achieve what we are now enjoying. It is for that reason Madame Speaker that I want to remind this august house to take cognizance of some of the significant anniversaries to remember and celebrate as we go through yet another MTREF Budget in Local Government. These are:

1. We commemorate 60th Anniversary of the women's march to the union buildings in 1956. We must never forget to pay tribute to those heroines for their struggle which resulted in the freedom we have enjoyed for the past two decades and continue to enjoy. Malibongwe !!!.....Igama lamakhosikazi !!!
2. We also commemorate 40th anniversary of 1976 Soweto students uprising thus paying tribute to the youth that bravely challenged the system of apartheid head on and some lost their lives in the process.
3. We also commemorate the 31st anniversary of the township students uprising in this province following the brutal assassination of the struggle activist, Victoria Mxenge who was killed at Umlazi in Durban by the security branch of the apartheid police on 1 August 1985. Her assassination took place after she had been invited to speak at a funeral of other struggle activists ie Mathew Goniwe, Fort Calata, Sparrow Mkhonto and Sicelo Mhlawuli (also known as Cradock 4) who were also murdered by apartheid security police. We salute this heroine, the youth of that time as well Cradock 4 for their contribution in the struggle for freedom we enjoy today. Indeed Madame Speaker,....Yinde lendlela esiyhambayo.
4. We also celebrate 20th anniversary of the adoption of Act No. 108 of 1996, the Constitution of the Republic in May 1996, principles of which are embedded on the Freedom Charter which form the basis of democratic

South Africa. All that we do, in all 3 spheres of government emanates from this Constitution, principles of which are embedded on the Freedom Charter that was drawn up by a group South Africans in 1955. You will recall, Madame Speaker that last year, 2015, we were commemorating 60th anniversary of the same which is why the President of the Republic, also President of the ruling party, declared 2015 to be the year of Freedom Charter. That was not meant to be once-off but, to be an ongoing effort by all spheres of government to respond to the principles articulated in the Freedom Charter and the Constitution which will ultimately result in better life for all South Africans, irrespective of race, gender, sexual orientation, religion and culture etc as per section 9(3) of the Constitution.

5. We also commemorate Madame Speaker, the 16 years of local government service delivery. This third, independent sphere of government was introduced in year 2000 to carry out service delivery mandate as articulated in Chapter 7 of the Constitution.

In spite of all those who have chosen to be prophets of doom and are constantly painting the worst picture about our country, we are confident that people's lives are much better now than they were prior to 1994 and they continue to get better. The achievements and strides made, emanate from these significant anniversaries I have mentioned.

Madame Speaker, in this 2016/17 MTREF Budget as well as previous years, we have ensured that Equitable Share Grant is enjoyed equitably by all our citizens. This is evident on page 4 of 94 of the budget document where R91 million out of R148 million Equitable Share Grant is spent on subsidizing tariffs for various services so that they are available at an affordable rate for those who can afford and free to those who cannot afford. It is for this reason Madame Speaker, that for the past five years of this council,

- ❖ we have never increased tariffs by double digit or above the inflation target by National Treasury
- ❖ we have been able to charge zero tariffs for rates and refuse removal to all the qualifying citizens registered on the indigent register of council
- ❖ we have been able to keep electricity tariffs within the guidelines given by National Energy Regulator of South Africa (Nersa) in spite of the Eskom tariff increase being higher than what we are allowed to pass on to the consumer
- ❖ we have been able to provide free electricity of 50 kilo watts per month to all our consumers that have 20 amp electricity meters mainly in low cost housing as well as those on indigent register. We have further rolled out this service to rural areas where our citizens buy electricity directly from Eskom. We have ensured that our citizens get the free service using Equitable Share. Madame Speaker, I am pleased to announce that approximately 200 households we recently issued forms to during the IDP / Budget Roadshows are now receiving the 50 kilowatts free electricity. There are some that Eskom system has rejected citing that their meters are not properly linked to Eskom system and administration is following up on that.
- ❖ Madam Speaker, we have started collecting refuse in rural areas and this service is free to our poor citizens in rural areas funded through equitable share.

Madame Speaker, apart from subsidizing tariffs for various services which takes up over 60% of the Equitable Share, we have also used equitable share to make some essential services available to the communities as reflected on page 4 of 94 of the budget document. Using equitable share allocation in this manner Madame Speaker, we respond to one of our core mandates in terms of section 152(1)(b) of the Constitution which is *"to ensure provision of services in a sustainable manner"*. Last year, 2015, people of South Africa, were commemorating 60th anniversary of the Freedom Charter from which our Constitution is embedded. It is for that reason that the President of the Republic as President of the ruling party declared last year to be the year of Freedom Charter. Our Equitable Share has and continues to respond to the provisions of the Freedom Charter as follows:

1. "Doors of learning shall be opened"...We have in this MTREF Budget, from equitable share allocated R618,000 to youth development and R308,000 to early childhood development. We use the former to assist with registration fee to those enrolling to tertiary education institutions where they are then able to access the National Student Financial Aid Scheme (NSFAS). Madame Speaker, just looking back 3 years, in 2014, 19 students benefited, in 2015, 46 students benefited and in current 2016, 100 students benefited. Lokhu kusho khona ukuthi SIYAQHUBA LAPHA EMALALAZI, ASIDLALI, Madame Speaker. The latter is used to open doors of learning to children at very young age. In doing this we respond to one of the objects of local government as articulated in section

152(1)(c) which is *“to promote social and economic development”* and it all starts from educating our young people.

2. Section 152(1)(e) provides that local government is *“to encourage the involvement of communities and community organizations in the matters of local government”*. It is for this reason Madame Speaker that we have allocated R1 million for ward committees expenditure in form of stipends and training. Ward Committees are one form of structure through which communities, beyond electing their local government representatives, continue to take part in local government for the rest of the council term. Each of ten members are representing different sectors thus achieving requirements of the constitution. The parallel provision in Freedom Charter is that *“The people shall govern”*. It must be further noted, Madam Speaker, that we have allocated an amount over R300,000 for Budget / IDP Roadshows for each year of the MTREF which since we assumed office in 2011, has been going to rural wards that were previously neglected. That is our response to Constitutional requirement for community involvement and respond to ‘The people shall govern’ principle.
3. In further response to section 152(1)(c) which is *“to promote social and economic development”* we have in this 2016/17 MTREF Budget, allocated almost R3 million per each year of the MTREF in total to humanitarian assistance, Disaster assistance, community support programme, Operation Sukuma Sakhe and Local Aids Council. We use these funds to respond to social needs of our people which include destitute burials, provision of relief in disasters arising from various forms of disasters and social ills. Typical instances of this nature include instances of veld fires and instances like the one we had over the weekend where an 84 year old senior citizen was burnt beyond recognition at Obanjani area and the source of the accident was the candle. Madame Speaker, we use these allocations to respond swiftly in these kind of situations and many others to provide relief to affected families and ensure dignified burial of those that pass on due to these incidents. Madame Speaker, just looking back 3 years of our tenure of office, 1 590 destitute people have been given dignified burials and 9 paupers of which 545 is the year to date figure for the current year.
4. Madame Speaker, the President of the Republic spoke during Human Rights Day about the scourge of racism that has recently showed its ugly head in the past few weeks in social media. Unfortunately, it seems to continue to do so based on recent media reports and social media trends. We must continue to categorically reject this scourge, in strongest possible terms and promote unity and social cohesion among our communities. We do this based on premise of the Freedom Charter which says ‘South Africa belongs to all who live in it, black and white’. Not so long ago, our country experienced Xenophobic attacks on our foreign nationals. Drugs and alcohol abuse are partly contributing in these. It is for this reason, Madame Speaker that we have and continue to use equitable share to promote sport and other recreational activities as a means to promote social cohesion among our communities. We have in this MTREF budget provided R1.2 million on sport development as well as cultural development combined. It is for the same reason Madame Speaker that I tabled an application from Vukani Museum requesting funding of R85,000 from this council last year. This was for Eshowe Heritage Festival which took place this month at Fort Nongqayi Museum Village. It is for the same reason Madame Speaker that we have allocated significant amount of our capital budget to building sports fields in various wards.
5. Madame Speaker, as part of *‘promoting social and economic development’* we have from the equitable share of this MTREF, allocated R3.5 million on Poverty Alleviation and Work Creation Projects. Through these allocations we respond to constitution as well as Freedom Charter which say ‘There shall be work and security’. While some argue that these jobs created through the likes of Sizabonke and EPWP are not necessarily sustainable, they do make a significant difference in the poverty stricken households. It must be further noted Madame Speaker, that some of the people employed in these programs have obtained skills, shown potential and have managed to successfully secure permanent employment in the council. It must be further noted Madame Speaker, that we have made a provision of R180,000 per annum for a stipend of R2500 per month for individuals we are employing on internship programme. This programme is targeting graduates who end up sitting at home unemployable due to lack of work experience. This is in addition to the five interns we employ through Finance Management Grant and the one we employ through Integrated National Electrification Programme.

Madame Speaker, I draw your attention to operating expenditure by classification as detailed on page 11 of 94 on the budget document. You will note, Madame Speaker that our employee related costs have increased significantly from 2015/16 to 2016/17. Madame Speaker, this is partly due to strides we have been making towards insourcing some of the services that were previously outsourced. Madame Speaker, following the approval of the amended organogram tabled to this council in June last year, we have since established fully fledged Internal Audit as well as Information and Communications Technology (ICT) units. In total, we have employed four (4) incumbents in Internal audit unit being the Manager, Internal Auditor, Internal Audit Clerk as well as Risk Management Officer. On the ICT unit, we have employed an ICT Manager, ICT Officer, one Technician and one intern. These services were previously provided by external service providers on consultancy basis. We are responding to the call by government to move away from over reliance on consultants and rather create capacity from within and creating employment in the process. The truth is SIYAQHUBA KULOMKHANDLU WASEMLALAZI !!!

CAPITAL BUDGET

Madam Speaker, on capital budget, I draw your attention to page 17 of 94 of the budget document. The total capital budget I am tabling amounts to R77 million. Just below, half of the funding ie R36,6 million is funded by MIG. It is pleasing to note, Madame Speaker, that we have been able to generate funds internally to the tune of R19 million to fund some of the capital projects. These internal funds were generated through sound financial management initiatives resulting in the creation Capital Replacement Reserve which was introduced during the term of this council 3 years ago. This initiative was part of our quest for reduced dependence on government grants.

Madame Speaker, we have through these internally generated funds been able to address two projects that were originally MIG funded but, had come to complete halt due to extra ordinary challenges experienced and depletion of funds from MIG. These projects are Matshamhlophe in Ward 4 and Rehabilitation of Landfill Site in Ward 11. We have allocated R3.5 million and R4.5 million respectively to complete these projects to community expectations.

We continue to look after our urban roads rehabilitation as we have once again allocated R5.4 million like we did last year and year before. There has been serious concerns raised about our community halls. In the current 2015/16 financial year, assessment was carried out on the urban halls and designs were drawn up for renovations. Through prioritization, it was sought befitting to start with Gingindlovu Hall. R1 million has been allocated to 2016/17 MTREF Budget to continue with the other halls. The balance of the R19 million own funded projects goes to Mitchel Street extension in Ward 11 and storm water.

Madame Speaker, at the bottom of the page and next page (17, 18 of 94), is list of projects funded by MIG per ward for each of the three years of the MTREF. It must be noted Madame Speaker, that all the projects in the 2016/17 are multi-year projects that have started in this current financial year. Madame Speaker, it is evident that the size of our municipality in the form 26 wards we have been having, far outnumbers the value of our MIG Allocation. It is for that reason that we have not been able to have a projects in each and every ward however, we are confident that we have as much as possible, equitably allocated projects to almost all the clusters. We have spent a lot in building roads in rural wards. At the same time, we have not neglected our towns as we have had significant projects like Osborne and Kangella in Eshowe town, KDS / Sunnydale Link Road and we have put aside R10.5 million for KDS Bus Route. In Gingindlovu, we have done Naickerville / Isandlwana intersection. This is in addition to the R5.4 million we have been allocating each year for urban roads rehabilitation as well as over R9 million per annum for rural roads maintenance through a grader programme.

Just as South Africa is much better than it was before 1994, our municipality and the lives of our people are much better than they were before 1994. Whilst we appreciate the bit that was done by our predecessors, it is a fact that lives of our people are much better now than they were prior to our assumption of office in 2011. This is evidenced by the infrastructure that has been built in the last five years through our capital programme as well as our improved engagements with other spheres of government and entities like Eskom resulting in our people benefitting in various ways. I am delighted to say, Madame Speaker, that when we assumed office in 2011, only 35% of people had access to electricity but, by June 2015, we had increased that percentage to 80% and as I speak now, we are sitting at a whopping 85% ! Since 2011 till now, Madame Speaker, SIYAQHUBA UP UNTIL 03 AUGUST AND WE SHALL CONTINUE DOING THE SAME AFTER 03 AUGUST...!

Madame Speaker, I take this opportunity to express my sincere gratitude and appreciation to the following:

- The Municipal Manager, Directors and staff of the various departments, for their inputs in the budget;
- The community in the municipal area for their support and co-operation, to make our municipality a pleasant area to stay in.
- Office-Bearers i.e Deputy Mayor, yourself Madame Speaker and Chief Whip for the role in the governance structures of the municipality
- Executive Committee Members whom I'm pleased have been all full time for more than a year now. I appreciate your tireless efforts in assisting management to take this municipality forward by your participation in monthly

Exco meetings as well as leading in your respective portfolio committees and the role you played in this budget as Budget Steering Committee.

- All Ward Councillors who are at the cold face of service delivery in their respective wards as well as for their inputs and role played at the budget consultation meetings.
- All the PR Councillors for the role they play in assisting ward councillors as well as participation in council meetings and various portfolio committees where they serve.
- Ngibonge wonke Amakhosi aseNdlunkulu eholwa Inkosi uNzwakele njengoSihlalo wesifunda sasoThungulu seNdlu yabaHoli boMdabu.

I accordingly table the Medium Term Revenue and Expenditure Budget commencing in 2016/2017 as detailed in the document with recommendations 1 to 10 for final adoption by Council.

I thank you.

2. BUDGET RELATED RESOLUTIONS

RECOMMENDED

	<i>Page</i>
1. That the annual budget of the municipality for the financial year 2016/2017; and indicative for the two projected outer years 2017/2018 and 2018/2019 be approved as set-out in the following schedules:	
1.1 Budget Summary (Financial Performance, Capital Expenditure and Fund sources, Financial Position, Cash Flows & Asset Management) Table A1	26
1.2 Budgeted Financial Performance (Revenue and Expenditure by Standard classification) Table A2	27
1.3 Budgeted Financial Performance (Revenue and Expenditure by Municipal Vote) Table A3	28
1.4 Budgeted Financial Performance (Revenue and Expenditure) Table A4	29
1.5 Budgeted Capital expenditure by Vote, Standard classification and funding- Table A5	32
2. That the financial position, cash flows, cash-backed reserve/accumulated surplus, asset management and basic service delivery measurements are adopted as set out in the following tables:	
2.1 Budgeted Financial Position-A6	34
2.2 Budgeted Cash Flows – Table A7	35
2.3 Cash backed reserves & accumulated surplus reconciliation Table A8	36
2.4 Asset Management- Table A9	37
2.5 Basic Service Delivery Measurement-Table A10	39
3. That the amendments to the budget related policies be approved.	
4. That the additional settlement discounts in terms of section 15 of the municipal property rates act, read together with clause 9 of the rates policy be approved as follows:	
<ul style="list-style-type: none">• Commercial and industrial properties – 30% discount if property rates is paid on or before 30 September.• Agricultural properties/farms – 40% discount if property rates is paid before 30 September.	
5. That the budget funding and tariffs be approved.	
6. That the due date for the agreed annual single rates payment as prescribed by Section 26(2) (a) of the Local Government Municipal Property Rates Act 6 of 2004 be determined to be 30 September 2016.	
7. That the allocations of the Equitable Share Grant over the MTREF period be approved as follows:	

DETAILS	BUDGET 2016/2017	BUDGET 2017/2018	BUDGET 2018/2019
Care taking: rural buildings	100 000	150 000	200 000
Youth development	618 000	700 000	700 000
Early childhood development	308 000	338 800	372 680
Community support programme	618 000	700 000	700 000
Local economic development (LED)	600 000	700 000	800 000
Youth business advisory centre	200 000	200 000	200 000
Ceremonial events	120 000	130 000	140 000
Commemorative celebrations	260 000	270 000	280 000
Rates relief	78 473 030	80 490 760	84 023 170
Depreciation on assets contribution	7 271 210	7 692 940	8 139 130
Poverty alleviation	2 200 000	2 200 000	2 200 000
Ward committee expenses	1 000 000	1 000 000	1 000 000
Councillor's remuneration	10 257 000	10 757 000	11 287 000
Councillor's Funeral Assistance	150 000	150 000	150 000
Animal pound facility	633 840	675 040	718 990
Rural fire prevention	200 000	200 000	200 000
Disaster assistance	650 000	700 000	700 000
Humanitarian assistance	800 000	800 000	800 000
Sport development	1 000 000	1 000 000	1 000 000
Cultural development	200 000	200 000	200 000
Special programmes	450 000	450 000	450 000
Operation Sukuma Sakhe	200 000	200 000	200 000
Local Aids Council	450 000	450 000	450 000
Work creation projects	1 300 000	1 300 000	1 300 000
Sports fields – security	369 980	388 490	407 920
Rural grounds maintenance	300 000	300 000	300 000
Rural roads: Grader programme	10 463 930	9 987 130	10 536 490
Free refuse	1 868 850	1 977 240	2 091 920
Solid waste relief	1 776 590	1 937 630	2 108 010
Free electricity	1 193 180	1 273 140	1 358 820
Electricity relief	7 360 000	8 528 880	7 919 160
Electricity metering audit	-	400 000	450 000
Capital projects contribution	17 025 390	23 416 950	27 227 710
	148 417 000	159 664 000	168 611 000

8. That in terms of Section 17 (3) (k) of the Local Government: Municipal Finance Management Act, (No. 56 of 2003), that the proposed cost to council of salary, allowances and benefits of Councillors and Senior officials be noted.
9. That the Service Delivery and Budget Implementation Plan (SDBIP) tabled together with the measureable objectives per vote, be noted.
10. The mSCOA Project Plan and Implementation Progress Report be noted.
11. That the municipality's Service Level Standards be approved.

3. EXECUTIVE SUMMARY

The application of sound financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The municipality's business and service delivery priorities were received as part of this year's planning and budget process. Where appropriate, funds were transferred from low to high priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items.

The municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore the municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people led government.

The budget/IDP process occurred according to the budget timetable approved by Council on 8 October 2015. This ensured compliance with the LG: MFMA and subsequent circulars in the preparation and approval of the multi-year budget/IDP.

The Budget and Medium Term Revenue and Expenditure Framework (MTREF) was also prepared taking cognizance of the contents of the Local Government: Municipal Finance Management Act No 56 of 2003. Circular No. 78, and the LG: MFMA Budget Formats Guide received from National Treasury.

The main challenges experienced during the compilation of the 2016/2017 Budget and MTREF can be summarized as follows:

- The ongoing difficulties in the national and local economy;
- Ageing roads and electricity infrastructure;
- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable – as there will be a point where services will no longer be affordable;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies.
- Affordability of capital projects-original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2016/2017 budget and MTREF process.

The following budget principles and guidelines directly informed the compilation of the 2016/2017 Budget and MTREF:

- The 2015/2016 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2016/2017 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity. In addition, tariffs need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2016/2017 Budget and Medium-term Revenue and Expenditure Framework:

3.1 Consolidated Overview of the 2016/2017 Budget and MTREF

Details	Adjustments Budget 2015/2016 (R)	Budget Year 2016/2017 (R)	Budget Year 2017/2018 (R)	Budget Year 2018/2019 (R)
Total operating revenue	381 828 090	375 787 990	393 574 480	414 057 030
Total operating expenditure	346 823 390	354 775 850	370 224 990	391 083 530
(Surplus)/Deficit for the year	(35 004 700)	(21 012 140)	(23 349 490)	(22 973 500)
Total Capital Expenditure	79 744 790	77 287 440	73 747 200	75 394 510

Total operating revenue has decreased by **1.58** per cent or **R6 040 100** for the 2016/2017 financial year when compared to the 2015/2016 Adjustments Budget. For the two outer years, operational revenue will increase by **4.73** and **5.2** per cent respectively, equating to a total revenue growth of **R32 228 940** over the MTREF when compared to the 2015/2016 financial year.

Total operating expenditure for the 2016/2017 financial year has been appropriated at **R354 847 870** and translates into a budgeted surplus of **R21 012 140**. When compared to the 2015/2016 Adjustments Budget, operational expenditure has grown by **2.29** per cent in the 2016/2017 budget and by **4.35** and **5.63** per cent for each of the respective outer years of the MTREF.

The capital budget of **R77 287 440** for 2016/2017 is **3.08** per cent less when compared to the 2015/2016 Adjustments Budget. The capital budget is mainly funded from Government grants over the MTREF.

3.2 Operating Revenue Framework

For uMlalazi Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each services;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA)
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policy of the Municipality.

The following table is a summary of the 2016/2017 Budget and MTREF (classified by main revenue source):

3.2.1 Summary of revenue classified by main revenue source

Description	Current Year 2015/2016			Medium Term	Revenue and	Expenditure
(R) Thousands	Original Budget (R)	Adjusted Budget (R)	Full Year Forecast (R)	Budget Year 2016/2017 (R)	Budget Year 2017/2018 (R)	Budget Year 2018/2019 (R)
Revenue by Source						
Property rates	41 997	47 454	47 454	48 498	50 302	53 341
Property rates-penalties & collection charges	751	2 087	2 087	2 216	2 354	2 493
Service charges- electricity revenue	58 352	56 913	56 913	59 498	64 249	69 049
Service charges- refuse revenue	10 826	10 832	10 832	11 836	12 523	13 192
Rental of facilities and equipment	1 470	1 180	1 180	1 253	1 331	1 410
Interest earned-external investments	4 055	5 694	5 694	6 047	6 422	6 801
Interest earned-outstanding debtors	374	374	374	397	422	447
Fines	23 808	25 468	25 468	27 047	28 724	30 419
Licences and permits	3 600	3 354	3 354	3 562	3 783	4 006
Transfers recognized – operational	137 720	156 563	156 563	150 264	152 599	160 339
Other revenue	2 740	14 521	14 521	6 757	3 578	3 815
Gains on disposal of PPE	120	946	946	130	140	150
Total revenue (excluding capital transfers and contributions)	285 813	325 386	325 386	317 505	326 427	345 462

In line with the formats prescribed by the Municipal Budget and reporting regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the municipality. In the 2015/2016 financial year, revenue from rates and services charges totaled **R117 660 000** or **36.16** per cent. This increases to **R122 445 000**, **R129 850 000** and **R138 522 000** in the respective financial years of the MTREF. A notable trend is the increase in the total percentage revenue generated from rates and services charges which increases from **38.57** per cent in 2016/2017 to **40.1** per cent in 2018/2019.

Property rates is the third largest revenue source totaling **15.98** per cent or **R50 714 000** and increases to **R55 834 000** by 2018/2019.

Operating grants and transfers is the largest revenue source totaling **R150 264 000** in the 2016/2017 financial year and steadily increases to **R156 871 000** by 2018/2019. Note that the year-on-year decrease for the 2016/2017 financial year is **4.02** per cent and then increases by **1.56** and **5.08** per cent in the two outer years. The following tables gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

3.2.2 Operating transfers and grants receipts

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/2017 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
RECEIPTS:									
Operating Transfers and Grants									
National Government:	88 127	94 303	115 572	133 770	140 380	140 380	145 868	148 012	155 515
Local Government									
Equitable Share	76 090	82 861	102 939	119 603	119 854	119 854	131 392	136 247	141 383
Municipal Systems Improvement	800	890	437	930	930	930	–	–	–
Finance Management	1 500	1 550	1 249	1 600	1 174	1 174	1 625	1 700	1 955
Integrated National Electrification Programme	8 130	7 380	8 195	8 000	13 431	13 431	8 000	8 000	10 000
EPWP Incentive	981	1 019	2 172	3 037	3 037	3 037	2 924	–	–
PT: Greenest Municipality	97	22	–	–	–	–	–	–	–
Information signs: Tourism R66	4	–	–	–	–	–	–	–	–
Project Management Unit (MIG Projects)	526	582	580	600	1 955	1 955	1 927	2 065	2 177
Provincial Government:	2 088	3 294	4 852	3 950	16 183	16 183	4 396	4 587	4 824
Vukani Museum Subsidy					207	207	–	–	–
Health subsidy	201						–	–	–
Museum Subsidy	134	143	460	506	506	506	1 062	1 115	1 171
PT: Provincialisation of Libraries	1 298	2 726	2 860	2 933	2 933	2 933	2 968	3 087	3 249
Library: Cyber Cadet KDS GR50	204	366	297	361	502	502	366	385	404
Housing	251	58	1 147	–	3 080	3 080	–	–	–
Dept of Sport and Rec: Maintenance of facilities			88	150	212	212	–	–	–
COGTA: Fire Stations Analysis					5 000	5 000	–	–	–
COGTA: Support to community centre grant					383	383	–	–	–
Property rates					3 360	3 360	–	–	–
District Municipality:	483	483	–	–	–	–	–	–	–
<i>Uthungulu District Grant: Salary Claims</i>	483	483							
Total Operating Transfers and Grants	90 698	98 080	120 423	137 720	156 563	156 563	150 264	152 599	160 339

3.3 Tariffs

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increase of Eskom's bulk tariff is far beyond the mentioned inflation target. Given that this tariff increase is determined by external agencies, the impact it has on the municipality's electricity tariffs are largely outside the control of the municipality. Discounting the impact of this price increase in lower consumer tariffs will erode the future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilized for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity, petrol, diesel, chemicals, cement, etc. The current challenge facing the municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by their operational efficiency gains or service level reductions. Within this framework the municipality has undertaken the tariff setting process relating to service charges as follows:

3.3.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No.51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio to residential properties to be 0.25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17 (h) of the MPRA). In addition to this rebate, a further R85 000 reduction on the market value of a property will be granted in terms of the municipality's own Property Rates Policy;
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a rebate will be granted to owners of rate-able property as follows:
40 per cent rebate

- (i) A single person receiving a total income of **R6 380** per month or less
- (ii) A married couple receiving a joint monthly income of **R7 960** per month or less

20 per cent rebate

- (i) A single person receiving a total income of **R6 381** per month or more
- (ii) A married couple receiving a joint monthly income of **R7 961** per month or more

In this regard the following stipulations are relevant:

- The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependents without income;
- The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of health, also proof of the annual income from a social pension;
- The applicant's account must be paid in full, or if not, an arrangement to the debt should be in place; and
- The property must be categorized as residential.

The council at its meeting held on 29 May 2012, resolved to grant a **20%** discount to ratepayers that makes a single rates payment at the end of September of each year.

The following additional settlement discounts are proposed in terms of section 15 of the Municipal Property Rates Act, read together with Clause 9 of the rates policy:

For agricultural properties/farms, a **40%** discount on the amount payable for property rates is proposed due to the severe drought that has effected the farming community in South Africa. Farming forms a big part of the Local economy of the uMlalazi Municipality and productivity has been severely affected as a result of this drought situation.

For commercial and industrial properties, a **30%** discount is proposed due to the fact that there was an excessive increase in property values with the implementation of the third round of valuations. In terms of the normal business practices, any increase in property rates payable by the landlords, such recovered from tenants and unaffordable increase in the property rates charges can lead to closure of business which in turn will result in a negative effect of the economy of the uMlalazi Municipality.

These rebates are not automatic, but are conditional upon the annual rates payable being settled by no later than 30 September of each year.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2016/2017 financial year contained below:

Category	2015/2016 (c/R)	2016/2017 (c/R)	% increase
Residential	0.9341	0.9902	6%
Commercial and Industrial	1.1677	1.2377	6%
State and Education	1.1677	1.2377	6%
Municipal	0.9341	0.9902	6%
Mining	1.8683	1.9803	6%
Agricultural and PSI	0.2335	0.2475	6%
Vacant Land	1.8683	1.9803	6%

The differential rating idea came about upon studying different rating methods applied across the country. The workshops conducted by COGTA have indicated that this is the best international practice. Emphasis is made on the fact that internationally, businesses contribute a little bit more to the coffers of the Municipality because they are able to pass the on the burden of rates to their consumers whereas the residential consumers are not in this position. Further to this, any expenditure incurred is tax deductible for businesses whereas for residential customers it is not the case. When calculating the different randages, the effect on each customers account has been taken into account; even though different randages were applied, the overall result is the reduction in the randage, even for businesses.

A punitive tariff has been introduced for all vacant undeveloped properties within the boundaries of the Municipality. The main reason for this is to encourage all owners of these properties to develop as soon as possible. Council loses revenue on all undeveloped land.

3.3.2 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. An **9.4** per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2016.

Considering the Eskom increases, the consumer tariff had to be increased by **7.46** per cent to offset the additional bulk purchase cost from 1 July 2016. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

It should further be noted that NERSA has advised that a stepped tariff structure be implemented for residential consumers from 1 July 2013. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor).

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the municipality. Most of the reticulation network was designed or strengthened in the early 1980's with an expected 20-25 year life expectancy. The upgrading of the municipality's electricity network has therefore become a strategic priority, especially the substations and transmission lines. Owing to the high increases in Eskom bulk tariffs, it is clearly not possible to fund these necessary upgrades through increase in the municipal electricity tariff-as the resultant tariff increases would be unaffordable for the consumers. As part of the 2016/2017 medium term upgrading programme, funding of **R860 000** from the Equitable Share Grant has been allocated to electricity infrastructure.

3.3.3 Waste Removal and Impact of Tariff Increases

Currently solid waste removal is subsidized with an allocation from the equitable share grant of **R1 776 590**. Without this subsidy, the solid waste removal service will operate at a deficit. The main contributors to the high operational cost are cost of remuneration, bin liners, repairs and maintenance on vehicles, increases in fuel and solid waste contracts.

The municipality have implemented and monitor a recycling program in the community, to ensure that this service can be rendered in a sustainable manner over the medium to long term.

The waste removal tariffs are increased by **6** percent.

3.4 Operating Expenditure Framework

The Municipality's expenditure framework for the 2016/2017 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash backed reserves to fund any deficit;
- Funding of the budget over the medium term as informed by Section 18 and 19 of the MFMA;
- The Capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of no project plan no budget. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2016/2017 budget and MTREF (Classified per main type of operating expenditure):

3.4.1 Summary of operating expenditure by standard classification item

Description	Current Year 2015/2016			Medium Term	Revenue and	Expenditure
				Framework		
(R) Thousands	Original Budget (R)	Adjusted Budget (R)	Full Year Forecast (R)	Budget Year 2016/2017 (R)	Budget Year 2017/2018 (R)	Budget Year 2018/2019 (R)
Expenditure by Type						
Employee related costs	88 209	77 088	77 088	102 252	109 397	114 982
Remuneration of councillors	17 792	17 564	17 564	19 334	20 688	22 136
Depreciation & asset impairment	28 484	36 675	36 675	38 925	41 308	43 716
Finance charges	756	583	583	540	498	456
Bulk purchases	45 474	44 735	44 735	48 940	53 541	56 574
Contracted services	25 208	29 319	29 319	29 924	28 752	30 256
Transfers and grants	3 760	3 797	3 797	4 302	4 547	4 806
Other expenditure	107 374	137 062	137 062	110 559	111 494	118 158
Loss on disposal of PPE						
Total Expenditure	317 057	346 823	346 823	354 776	370 225	391 084

- **Employee Related Costs**

The budget allocation for employee related costs for the 2016/2017 financial year totals **R102 252 000** which equals **28.82** per cent of the total operating expenditure. The employee related costs are growing by **30.36** per cent from 2015/2016 (original budget) to 2018/2019 financial year.

Provision has been made for the following:

- A 7% increase in salaries for the three budget years
- Provision has been made for the filling of positions considered to be critical on the approved organogram.

Hereunder follows a table reflecting the detail of the employee related costs:

DESCRIPTION	Adjustments budget 2015/2016 (R)	Budget 2016/2017 (R)	Budget 2017/2018 (R)	Budget 2018/2019 (R)
Salaries and Allowances	53 217 400	71 414 600	76 413 610	79 712 560
Overtime & Standby	3 695 050	3 926 300	4 200 650	4 494 710
Casual Labour	4 280	29 420	32 320	35 330
Housing Subsidy	354 070	663 680	710 090	759 800
Pension Fund Contribution	9 312 060	12 595 180	13 476 840	14 420 240
Pension Fund: Gratuities	8 140	8 710	9 320	9 970
Medical Aid Contribution	2 624 040	4 177 390	4 473 620	4 786 760
Travel, Rental and Other Allowances	4 514 880	5 285 820	5 651 320	6 046 890
Unemployment Fund	472 090	623 250	663 650	710 120
Protective Clothing	527 900	531 540	566 380	603 250
Group Life Insurance	835 690	1 171 500	1 246 730	1 333 980
Workmen's Compensation	759 300	812 460	869 340	930 200
Skills Development Levy	763 250	1 012 400	1 083 140	1 138 440
Performance Bonuses-Sec 57 Managers				
TOTAL	77 088 150	102 252 250	109 397 010	114 982 250

- **Remuneration of Councillors**

The cost associated with the remuneration of councilors is determined by the Minister of Co-Operative Governance and Traditional Affairs, in accordance with the remuneration of Public Bearers Act (Act 20 of 1998). The most recent promulgation in this regard has been taken into account in compiling the municipality's budget. Provision has been made for additional two councilors, plus a 7% increase in allowances for the three budget years.

- **Provision for depreciation and asset impairments**

Provision for depreciation and asset impairments is informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total **R38 925 000** for the 2016/2017 financial and equates to **10.98** per cent of the total operating expenditure.

- **Finance charges**

Finance charges consist primarily of the repayment of interest on long term borrowing (cost of capital). Finance charges make up **0.16** per cent (**R540 000**) of operating expenditure excluding annual redemption for 2016/2017 and decreases to **R456 000** by 2018/2019.

- **Bulk purchases**

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increase of **9.4** percent have been factored into the budget appropriations and directly inform the revenue provisions. The expenditure include distribution losses.

- **Contracted services**

Contracted services has been identified as a cost saving area for the municipality. As part of the compilation of the 2016/2017 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2016/2017 financial year, this group of expenditure totals **R29 924 000** and has increased by **2.09** per cent. For the two outer years it has been limited to a decrease of **3.91** and an increase of **5.23** per cent.

Provision is made for the following contracted services:

DESCRIPTION	2015/2016 (R)	2016/2017 (R)	2017/2018 (R)	2018/2019 (R)
Animal pound facility	597 840	633 840	675 040	718 990
Archive storage	53 010	56 200	59 680	63 200
Asset management	869 440	-	-	-
Bank collections	217 280	250 000	262 500	275 630
Cleaning	672 260	720 000	763 200	801 360
Competency testing	-	150 000	25 000	25 000
Computer maintenance	1 807 170	1 919 320	2 038 340	2 158 600
Design and project management: Mayor's parlour	375 000	-	-	-
Fleet Management	512 400	180 180	198 200	218 020
Formalize informal settlement plan	200 000	-	-	-
Grass cutting	1 794 700	2 085 780	2 210 210	2 342 120
ICT Governance service	550 000	-	-	-
Insurance	855 250	907 960	964 250	1 021 170
Internal audit	1 185 870	1 259 390	1 337 470	1 416 380
Lease of park home - toilet facilities	19 200	21 120	22 430	23 750
Mailing of monthly statements	202 310	214 850	228 170	241 630
mSCOA Implementation	246 000	2 500 000	-	-
Pavement management system	313 500	-	-	-
Pre paid electricity vending management system	827 790	844 350	896 700	949 610
Pre paid electricity vending: Commission	106 400	-	-	-
Post employment report	9 000	10 000	12 000	14 000
Proposal: Office space	400 000	-	-	-
Radio repeater site	8 130	8 630	9 170	9 710
Refurbishment assessment of halls	245 620	-	-	-
Refuse removal contracts	4 085 230	4 642 170	4 927 910	5 224 270
Rental of land	117 390	123 710	136 080	149 690
Rental of office equipment	650 460	750 630	790 570	832 660
Security	9 424 580	9 543 800	10 021 180	10 522 420
Traffic violation system	2 335 630	2 430 000	2 466 000	2 502 000
Valuation costs	181 610	185 990	190 380	194 770
Weigh bridge	456 030	485 670	517 240	550 870
	29 319 100	29 923 590	28 751 720	30 255 850

- Security expenditure for the 2016/2017 budget year is made up as follows:

Office bearers	5 231 550
Mayor	551 360
Deputy Mayor	463 090
Speaker	500 430
Chief Whip	496 980
Councillors (x12)	3 219 690
Council buildings	3 942 270
Sportsfields	369 980
	9 543 800

- **Transfers and Grants**

Provision is made for the following transfers and grants:

Description	2016/2017 (R)	2017/2018 (R)	2018/2019 (R)
SPCA	130 000	135 000	140 000
Social Welfare	135 000	140 000	145 000
Zululand Historical Museum	467 070	493 140	520 390
Vukani museum	308 300	323 680	339 940
uMlalazi Tourism Association	200 000	205 000	210 000
Free Refuse	1 868 850	1 977 240	2 091 920
Free Electricity	1 193 180	1 273 140	1 358 820
TOTAL	4 302 400	4 547 200	4 806 070

- **Other expenditure**

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

- Other expenditure comprises of the following:

Description	2015/2016 (R)	2016/2017 (R)	2017/2018 (R)	2018/2019 (R)
Provision for bad debts	24 293 420	24 456 190	25 972 470	27 504 840
Repairs and maintenance	21 537 290	23 083 510	22 882 560	24 178 590
Employment Benefits	7 722 370	8 281 030	8 850 160	9 372 330
General expenses	81 960 490	53 091 770	52 042 110	55 252 680
Contribution to staff leave	1 548 400	1 644 400	1 746 350	1 849 390
TOTAL	137 061 970	110 556 900	111 493 650	118 157 830

Provision is made for the following repairs and maintenance:

Description	2015/2016 (R)	2016/2017 (R)	2017/2018 (R)	2018/2019 (R)
Air-conditioning	50 000	53 100	56 390	59 720
Buildings	951 320	1 052 510	629 780	670 470
Electricity mains	1 233 650	1 310 130	1 391 360	1 473 450
Electricity sub stations	32 440	34 450	36 590	38 750
Fuel and oil	3 121 780	3 321 750	3 527 710	3 735 850
Furniture, plant and equipment	198 700	211 020	224 120	237 350
Grounds	357 270	543 680	577 380	611 450
Information signs	4 720	5 010	5 320	5 630
Office equipment	46 470	49 350	52 400	55 480

Roads & Streets (Urban)	1 255 200	1 333 020	1 415 670	1 499 190
Roads (Rural)	1 255 200	1 333 020	1 415 670	1 499 190
Rural ground maintenance	400 000	300 000	300 000	300 000
Rural roads grader programme	9 801 190	10 463 930	9 987 130	10 536 490
Small plant and equipment	271 290	203 150	215 740	228 460
Speed testing equipment	10 500	11 150	11 840	12 540
Street lights	392 330	416 650	442 480	468 590
Swimming pool	-	151 620	161 020	170 520
Traffic signs	34 290	36 420	38 680	40 960
Transport	2 106 430	2 239 760	2 378 630	2 518 980
Other	14 510	13 790	14 650	15 520
TOTAL	21 537 290	23 083 510	22 882 560	24 178 590

Provision is made for the following general expenses:

DESCRIPTION	2015/2016 (R)	2016/2017 (R)	2017/2018 (R)	2018/2019 (R)
Advertising	574 210	609 810	647 620	685 830
Ammunition and training	17 940	19 050	20 230	21 420
Audit fees (Auditor-General)	1 785 280	1 895 960	2 013 520	2 131 670
Bank charges	439 610	466 870	495 820	525 070
Bargaining Council levies	24 850	26 390	28 030	29 680
Bursaries	115 240	122 380	129 970	137 640
Cash handling fees	35 960	38 190	40 560	42 950
Capital replacement reserve	11 080 010	6 877 830	7 221 200	7 609 260
Cemeteries environmental studies	620 000	450 000	-	-
Chemicals	47 810	52 480	55 730	59 020
Civic expenses	220 440	234 110	248 620	263 290
Cleaning materials	205 270	218 040	231 550	245 210
Community centre support	383 000	-	-	-
Conference fees	60 980	64 760	68 780	72 840
Council's communications	223 960	237 850	252 600	267 500
Councillor's funeral assistance	180 000	150 000	150 000	150 000
Department of Sport and Recreation expenditure	212 480	-	-	-
Employee medical examinations		82 500	36 400	40 000
Entertainment expenses	142 720	158 530	168 340	178 280
Eskom: Other accounts	433 060	473 770	518 300	567 020
Expanded public works programme	3 037 000	2 924 000	-	-
Finance management grant expenditure	1 173 860	1 625 000	1 700 000	1 955 000
Fire stations analysis	5 000 000			
Equitable share grant expenditure	7 050 000	5 174 000	5 888 800	6 042 680
First aid kits	60 000	-	-	-
Gingindlovu housing expenditure	2 685 890	-	-	-
Housing transfers	793 970	-	-	-
IDP Roadshows	300 000	318 600	338 350	358 310
Health awareness	42 320	44 940	47 730	50 550
Integrated rural electricity programme	13 431 120	8 000 000	8 000 000	10 000 000
Internship programme	180 000	194 400	208 800	223 200
Land use management system (Rural)	1 200 000	-	-	-

LED Project administration	20 000	-	-	-
LED Rehabilitation programme	100 000	-	-	-
Legal expenses	2 642 970	1 674 290	1 778 100	883 010
Library books	23 590	25 060	26 610	28 180
Library: Cyber cadet grant	501 770	366 000	385 000	404 000
License fees	155 840	115 300	122 450	129 670
Local economic development	3 495 000	600 000	700 000	800 000
Loose tools	39 240	42 740	45 390	48 050
Membership fees (S A L G A)	836 070	1 022 520	1 093 970	1 149 820
Municipal systems improvement grant expenditure	930 000	-	-	-
Periodicals and publications	26 760	28 420	30 180	31 960
Postage	62 120	65 970	70 060	74 190
Poverty alleviation	3 241 800	2 200 000	2 200 000	2 200 000
Printing and stationary	636 580	676 120	718 010	760 390
Project management unit costs (MIG projects)	1 954 500	1 926 950	2 064 750	2 177 200
Communication	2 300 000	2 000 000	2 200 000	2 400 000
Recycling awareness programmes	100 000	106 200	112 780	119 430
Refuse bin liners	778 480	826 750	878 010	929 810
Rental of buildings	46 920	49 830	52 920	56 040
Removal of informal settlements	100 000	400 000	100 000	
Road marking	138 450	147 030	156 150	165 360
SABS: 3% charge	74 980	79 630	84 570	89 560
Sport development	2 000 000	1 000 000	1 000 000	1 000 000
Staff relocation costs	22 340	23 730	25 200	26 690
Subsistence and travel: Staff	1 385 100	1 470 980	1 562 180	1 654 350
Subsistence and travel: Councillors	1 060 200	1 126 590	1 196 440	1 267 030
Subscriptions	30 450	32 340	34 350	36 380
Telephone costs	1 095 410	1 163 330	1 235 450	1 308 350
Town planning costs	450 000	211 000	224 080	237 300
Traditional leaders	163 480	173 620	184 380	195 260
Training	876 900	931 270	989 010	1 047 370
Trees and shrubs	50 000	30 000	31 860	33 740
Ward committees	1 150 000	1 000 000	1 000 000	1 000 000
Water and sanitation costs	1 153 620	1 223 820	1 301 120	1 377 910
Website	50 000	53 100	56 390	59 720
Weed eradication	500 000	531 000	563 920	597 190
Work creation projects	2 004 000	1 300 000	1 300 000	1 300 000
Other	6 940	8 720	7 830	8 300
	81 960 490	53 091 770	52 042 110	55 252 680

3.5 Capital Budget

The following guidelines were applied in order to value and prioritize the capital projects:

- In line with the Council's revised IDP
- Carry over of previously approved projects
- Existing Council's resolutions, statutory requirements and services related benefits.
- Provision was made for the basic capital projects to be funded from the equitable share if actual cash is available.
- The capital for department's budget growth is **9.68** per cent.

The components of the capital budget are as follows:

Description	2016/2017 (R)	2017/2018 (R)	2018/2019 (R)
Departments requirements	40 675 390	34 516 950	34 027 710
MIG projects	36 612 050	39 230 250	41 366 800
TOTAL	77 287 440	73 747 200	75 394 510

The capital budget will be funded as follows:

Description	2016/2017 (R)	2017/2018 (R)	2018/2019 (R)
Equitable Share Grant	17 025 390	23 416 950	27 227 710
Municipal Infrastructure Grant	36 612 050	39 230 250	41 366 800
Small town rehabilitation grant	4 500 000	4 500 000	-
Own Funds	19 150 000	6 600 000	6 800 000
TOTAL	77 287 440	73 747 200	75 394 510

The following projects are funded from own funds in the 2016/2017 financial year:

Description	AMOUNT (R)
Storm water	2 000 000
Rehabilitation of urban roads	5 400 000
Mitchell street extension	2 750 000
Matshamhlope road	3 500 000
Community halls and Offices	1 000 000
Rehabilitation of Eshowe Landfill site	4 500 000
TOTAL	19 150 000

The capital for departments to be funded from the Council's Equitable Share Grant, Small Town Rehabilitation Grant and capital replacement reserve are the following:

Description	Amount (R)
Furniture & Equipment	845 500
Computer Equipment and software	2 300 000
Machinery and equipment	2 738 980
Vehicles	1 970 000
Cemeteries	750 000
Informal trading shelters	500 000
Buildings	3 920 910
Community assets	1 500 000
Roads, Sidewalks & Storm water	20 790 000
Eshowe landfill site	4 500 000
Electricity	860 000
TOTAL	40 675 390

Municipal Infrastructure Grant Projects for the next three budget years are as follows:

DESCRIPTION	Ward	2016/2017	2017/2018	2018/2019
HALLS AND OFFICES				
Sqwanjana Hall	13	3 500 000	-	-
Mabedle Hall	16	-	1 500 000	-
Emandawe Hall	10	-	1 500 000	-
Mahhudlu Hall	13	-	-	1 500 000
Bongela Hall	1	-	-	1 700 000

<u>SPORTS FIELDS</u>				
Kwabulawayo sports field	24	8 400 000	-	-
Mvutshini sports field	16	-	2 000 000	-
Nkume sports field	10	-	1 500 000	-
Emfenyane sports field	14	-	2 109 820	-
Sklebheni sports field	23	-	1 500 000	-
Machanca Sports field	8	-	-	1 800 000
Veleshowe Sports field	19	-	-	1 700 000
Mandlovu Sports field	24	-	-	1 700 000
Entshithi Sports field	22	-	-	2 000 000
<u>ROADS AND CAUSEWAYS</u>				
KDS Bus Route	12	10 490 210	-	-
Bele Road	24	4 300 000	-	-
Mtipela Road	3	1 721 840	-	-
Kangela Road	11	8 200 000	-	-
Hlungwini Causeway	5	-	1 500 000	3 135 590
Etsheni Road	19	-	2 057 000	-
Eshowe Bus Rank Link road	11	-	7 587 370	16 723 540
Emandawe Road	10	-	1 000 000	-
Ezingwenya Road	15	-	1 500 000	-
Eyetheni Road	21	-	2 015 190	2 864 410
Mbangayiya Road	14	-	1 621 160	-
Mfofolozi Causeway	1	-	5 492 760	-
Emtilombo Causeway	10	-	1 700 000	-
Mbabha Causeway	2	-	1 500 000	-
Qhika Road	24	-	1 956 950	-
Gingindlovu Stormwater	18	-	2 000 000	2 000 000
Vekeza Road	17	-	1 000 000	-
Yimba Pedestrian Bridge	19	-	-	3 085 150
Enembe Road	6	-	-	3 358 110
Sub total		36 612 050	39 230 250	41 366 800
<u>PMU ADMIN COSTS</u>		1 926 950	2 064 750	2 177 200
TOTAL		38 539 000	41 295 000	43 544 000

The capital budget will be spent on the following categories of assets:

Description	Amount (R)	%
Infrastructure : Roads (Urban)	31 340 210	41
Roads (Rural)	9 521 840	12
Electricity	860 000	2
Other	4 640 000	6
Community assets (Urban)	2 530 000	3
Community assets (Rural)	14 190 180	18
Other assets	14 205 210	18
Total capital expenditure	77 287 440	100

The table below analyses the budgeted transactions within the Capital Replacement Reserve (CRR) for the MTREF period, based on the tabled budget.

Description	Current Year 2015/2016	Budget 2016/2017	Budget 2017/2018	Budget 2018/2019
Opening balance	22 532 735	27 772 745	25 180 575	27 301 775
Less: Capital budget commitments	(7 700 000)	(11 150 000)	(6 600 000)	(6 800 000)
Plus: Interest earned on CRR short term deposit	860 000	880 000	900 000	920 000
Plus: Contribution from operating account	11 080 010	6 877 830	7 221 200	7 583 910
Unspent equitable share grant (operational)	900 000	1 000 000	1 000 000	1 000 000
Interest received on short term deposits	5 693 850	5 747 830	6 081 200	6 433 910
Land sales contributions	120 000	130 000	140 000	150 000
Additional revenue from property rates	4 366 160	-	-	-
Plus: unspent equitable share grant (capital)	1 000 000	800 000	600 000	400 000
Closing balance of the Capital Replacement Reserve	22 772 745	25 180 575	27 301 775	29 405 685

It is thus clear from the above the present levels of financing of capital budgets from the CRR are sustainable over the medium term.

It must however be stressed that it is of absolute importance that capital projects be prioritized to ensure that available funds are allocated towards the most important projects. The municipality will always have the challenge to allocate its limited resources amongst the vast number of needs of its community.

3.6 Financial position of Council

The accumulated surplus of the Council was **R692 118 890** as at 30 June 2015. It must be noted that this amount is not cash backed. The surplus for the 2016/2017 and the next two years is projected as follows:

2016/2017-	R21 012 140
2017/2018-	R23 349 490
2018/2019-	R22 973 500

3.7 Alignment with National Priorities

3.7.1 In preparing the draft budget, government's 12 outcomes were taken into account.

These outcomes are:

- Improve the quality of basic education
- Improve health and life expectancy
- All people in South Africa protected and feel safe
- Decent employment through inclusive economic growth
- A skilled and capable workforce to support inclusive growth
- An efficient, competitive and responsive economic infrastructure network
- Vibrant, equitable and sustainable rural communities and food security
- Sustainable human settlements and improved quality of household life
- A response and, accountable, effective and efficient local government system.
- Protection and enhancement of environmental assets and natural resources
- A better South Africa, a better and safer Africa and world
- A development orientated public service and inclusive citizenship

These objectives are directly relevant to the municipality. The challenge for the municipality is do more within its existing resource envelope.

3.8 The Municipality's role in employment creation

"Employment is central to human dignity, sustainable economic development and social cohesion. Creating jobs and increasing employment is South Africa's most critical objective.

While there are many policy options to consider, emphasis should be placed on removing the structural impediments to faster job growth. This means aligning real wage growth with productivity, speeding up regulatory reform to ensure that young and less skilled workers can access the job market, and ensuring that further education and training programmes provide the real world skills needed by public and private sector employers. Public employment to support service delivery, and public works projects that draw in lower skilled workers, will continue to play an important role. The issue of youth unemployment is imperative and needs to be confronted directly."

The Council will explore how it can contribute to job creation when revising the IDP and preparing the 2016/2017 budget. However, the Council will not just employ more people without any reference to the level of staffing required to deliver effective services, and what is financially sustainable over the medium term. The Council will focus on maximizing its contribution to job creation by:

- Ensuring that service delivery and capital projects use labour intensive methods wherever appropriate
- Ensuring that service providers use labour intensive approaches.
- Supporting labour intensive LED projects;
- Participating fully in the Extended Public Works Programmes; and
- Implementing interns programmes to provide young people with on the job training.

With reference to employment creation, provision is made for the following:

- Contractors that are appointed for Municipal Infrastructure Grant (MIG) projects, are encouraged to make use of local labour;
- **R2 240 180** from the equitable share is allocated for LED projects;
- **R4 269 980** from the equitable share is allocated for work creation projects;
- The Municipality has received a **R2 924 000** grant to participate in the Extended Public Works Programme, and
- The Council has appointed four financial interns.

3.9 Key amendments to budget –related policies

The amendments to the budget related policies are set out under section 8 of the budget document.

3.10 Municipal Standard Chart of Accounts (mSCOA)

All municipalities are required in the MFMA Circular no. 78 to table and submit together with the 2016/2017 budget documents, the mSCOA project plan as well as the progress report on mSCOA implementation to date.

Attached as annexures find the following:

- | | | |
|--|---|--------------------------|
| • mSCOA Project Plan | - | <u>Annexure 2</u> |
| • mSCOA Implementation Progress Report | - | <u>Annexure 3</u> |

3.11 Service Level Standards

MFMA Circular no. 72 indicated that all municipalities must formulate Service Level Standards which must form part of the MTREF Budget document.

- **The Service Level Standards for the 2016/2017 budget year is attached as -** **Annexure 4**

4. Annual Budget Tables

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KZN284 uMlalazi - Table A1 Budget Summary

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands										
Financial Performance										
Property rates	30 865	33 831	33 816	42 748	49 541	49 541	49 541	50 714	52 656	55 834
Service charges	57 500	61 146	63 115	69 179	67 745	67 745	67 745	71 335	76 772	82 241
Investment revenue	2 491	3 074	4 146	4 055	5 694	5 694	5 694	6 047	6 422	6 801
Transfers recognised - operational	90 698	98 520	120 423	137 720	156 563	156 563	156 563	150 264	152 599	160 339
Other own revenue	10 813	23 941	46 571	32 112	45 843	45 843	45 843	39 291	37 979	40 247
Total Revenue (excluding capital transfers and contributions)	192 367	220 512	268 071	285 814	325 386	325 386	325 386	317 651	326 427	345 463
Employee costs	54 201	59 569	63 396	88 209	77 088	77 088	77 088	102 252	109 397	114 982
Remuneration of councillors	12 733	13 688	15 921	17 792	17 564	17 564	17 564	19 335	20 688	22 136
Depreciation & asset impairment	18 082	26 032	34 200	28 484	36 675	36 675	36 675	38 925	41 308	43 716
Finance charges	709	660	618	756	583	583	583	541	498	456
Materials and bulk purchases	35 992	38 636	39 425	45 474	44 735	44 735	44 735	48 940	53 541	56 574
Transfers and grants	2 812	2 959	3 398	3 760	3 797	3 797	3 797	4 302	4 547	4 806
Other expenditure	76 502	94 862	126 558	132 581	166 381	166 381	166 381	140 480	140 245	148 414
Total Expenditure	201 029	236 406	283 515	317 057	346 823	346 823	346 823	354 776	370 225	391 084
Surplus/(Deficit)	(8 662)	(15 894)	(15 444)	(31 243)	(21 437)	(21 437)	(21 437)	(37 125)	(43 798)	(45 621)
Transfers recognised - capital	37 131	34 296	49 118	64 464	56 442	56 442	56 442	58 137	67 147	68 595
Contributions recognised - capital & contributed assets	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	28 469	18 402	33 674	33 221	35 005	35 005	35 005	21 012	23 349	22 974
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	28 469	18 402	33 674	33 221	35 005	35 005	35 005	21 012	23 349	22 974
Capital expenditure & funds sources										
Capital expenditure	33 670	37 165	58 806	72 364	79 745	79 745	79 745	77 287	73 747	75 395
Transfers recognised - capital	33 670	37 165	58 806	64 464	71 097	71 097	71 097	58 137	67 147	68 595
Public contributions & donations	—	—	—	—	—	—	—	—	—	—
Borrowing	—	—	—	—	—	—	—	—	—	—
Internally generated funds	—	—	—	7 900	8 648	8 648	8 648	19 150	6 600	6 800
Total sources of capital funds	33 670	37 165	58 806	72 364	79 745	79 745	79 745	77 287	73 747	75 395
Financial position										
Total current assets	90 929	108 220	106 144	87 239	107 875	107 875	107 875	84 463	73 329	63 491
Total non current assets	511 443	626 495	667 984	586 257	718 537	718 537	718 537	760 590	803 930	843 140
Total current liabilities	48 241	44 562	45 094	44 142	49 402	49 402	49 402	42 843	42 748	39 745
Total non current liabilities	17 976	20 562	25 634	20 222	25 110	25 110	25 110	20 160	19 807	19 684
Community wealth/Equity	536 155	669 591	703 400	609 132	751 900	751 900	751 900	782 050	814 704	847 202
Cash flows										
Net cash from (used) operating	57 589	48 117	66 530	57 826	67 413	67 413	67 413	34 614	46 120	48 437
Net cash from (used) investing	(34 362)	(36 865)	(58 781)	(54 156)	(58 877)	(58 877)	(58 877)	(57 854)	(55 175)	(56 401)
Net cash from (used) financing	(287)	(232)	(223)	(238)	(244)	(244)	(244)	(238)	(288)	(278)
Cash/cash equivalents at the year end	60 488	71 508	79 034	52 605	87 326	87 326	87 326	63 848	54 504	46 262
Cash backing/surplus reconciliation										
Cash and investments available	60 489	71 509	79 035	52 606	87 327	87 327	87 327	63 849	54 505	46 263
Application of cash and investments	16 485	14 338	27 394	47 016	59 191	59 050	59 050	35 236	36 610	35 691
Balance - surplus (shortfall)	44 004	57 171	51 641	5 590	28 136	28 277	28 277	28 613	17 895	10 572
Asset management										
Asset register summary (WDV)	510 019	625 096	666 565	584 804	717 104	717 104	759 139	759 139	802 474	841 678
Depreciation & asset impairment	18 082	26 032	34 200	28 484	36 675	36 675	38 925	38 925	41 308	43 716
Renewal of Existing Assets	7 234	15 749	56 806	43 819	33 511	33 511	33 511	29 710	26 619	28 577
Repairs and Maintenance	10 013	15 035	17 463	19 491	21 537	21 537	23 462	23 462	23 446	24 757
Free services										
Cost of Free Basic Services provided	167	161	169	179	179	179	190	190	200	210
Revenue cost of free services provided	11 276	12 828	15 811	34 614	28 928	28 928	32 544	32 544	35 451	37 397
Households below minimum service level										
Water:	—	—	—	—	—	—	—	—	—	—
Sanitation/sewerage:	—	—	—	—	—	—	—	—	—	—
Energy:	1	1	1	1	1	1	1	1	1	1
Refuse:	—	—	—	—	—	—	—	—	—	—

KZN284 uMlalazi - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
Revenue - Standard										
Governance and administration		127 655	141 811	181 173	210 029	215 902	215 902	223 923	235 110	245 121
Executive and council		125 056	139 252	177 761	206 968	211 932	211 932	219 098	229 995	239 485
Budget and treasury office		2 253	2 272	2 612	2 853	3 763	3 763	4 605	4 881	5 388
Corporate services		345	287	800	207	207	207	220	234	248
Community and public safety		14 185	25 769	38 696	37 423	48 907	48 907	39 524	41 640	43 775
Community and social services		3 406	3 655	3 953	4 450	4 568	4 568	4 888	5 154	5 465
Sport and recreation		3 030	2 617	2 781	3 490	3 913	3 913	2 987	3 069	3 152
Public safety		4 089	16 655	27 926	25 265	31 815	31 815	28 371	30 129	31 858
Housing		1 376	436	1 303	167	3 247	3 247	178	189	200
Health		2 284	2 406	2 732	4 050	5 363	5 363	3 100	3 100	3 100
Economic and environmental services		13 759	13 256	15 408	19 045	23 450	23 450	20 111	17 196	18 208
Planning and development		1 826	2 046	3 107	5 955	10 360	10 360	6 153	3 498	3 742
Road transport		11 932	11 210	12 302	13 090	13 091	13 091	13 957	13 697	14 465
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		73 901	73 972	81 911	83 781	93 569	93 569	92 230	99 629	106 953
Electricity		63 297	60 863	67 701	68 515	78 304	78 304	76 568	83 000	89 359
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		10 603	13 109	14 210	15 266	15 264	15 264	15 662	16 629	17 595
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	229 498	254 808	317 188	350 277	381 828	381 828	375 788	393 574	414 057
Expenditure - Standard										
Governance and administration		71 678	90 846	109 721	112 834	125 064	125 064	132 315	137 786	144 480
Executive and council		57 268	73 605	90 161	90 820	101 128	101 128	102 567	109 060	114 256
Budget and treasury office		9 913	11 460	12 501	14 781	15 845	15 845	19 352	17 749	18 694
Corporate services		4 496	5 781	7 060	7 234	8 090	8 090	10 397	10 976	11 529
Community and public safety		39 945	50 937	66 157	77 020	86 279	86 279	85 688	90 036	94 576
Community and social services		6 321	4 422	4 959	7 264	7 826	7 826	10 903	10 917	11 581
Sport and recreation		9 163	9 645	10 526	12 643	12 362	12 362	14 028	14 846	15 514
Public safety		18 697	32 158	44 670	48 916	53 923	53 923	52 356	55 502	58 414
Housing		1 327	84	1 198	165	3 300	3 300	133	145	157
Health		4 437	4 628	4 805	8 031	8 869	8 869	8 269	8 627	8 909
Economic and environmental services		18 737	19 575	23 156	36 733	40 835	40 835	40 504	38 611	40 486
Planning and development		3 331	3 394	4 727	15 052	19 254	19 254	15 785	13 471	14 148
Road transport		15 406	16 182	18 430	21 681	21 580	21 580	24 719	25 140	26 338
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		70 658	75 043	84 477	90 456	94 633	94 633	96 254	103 777	111 526
Electricity		55 606	60 516	68 814	72 170	77 243	77 243	76 225	82 456	88 849
Water		-	-	-	-	-	-	-	-	-
Waste water management		661	540	526	744	488	488	621	665	710
Waste management		14 391	13 988	15 136	17 542	16 902	16 902	19 408	20 657	21 967
Other	4	12	5	4	13	13	13	14	15	16
Total Expenditure - Standard	3	201 029	236 406	283 515	317 057	346 823	346 823	354 776	370 225	391 084
Surplus/(Deficit) for the year		28 469	18 402	33 674	33 221	35 005	35 005	21 012	23 349	22 974

KZN284 uMlalazi - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		125 056	139 252	177 761	209 286	217 300	217 300	220 400	231 429	241 051
Vote 2 - BUDGET AND TREASURY OFFICE		2 253	2 272	2 612	2 853	3 763	3 763	4 605	4 881	5 388
Vote 3 - CORPORATE SERVICES		1 959	564	934	665	415	415	487	561	635
Vote 4 - PLANNING AND DEVELOPMENT		1 826	2 046	3 107	3 637	4 992	4 992	4 851	2 065	2 177
Vote 5 - HEALTH		2 284	2 406	2 732	4 050	5 363	5 363	3 100	3 100	3 100
Vote 6 - COMMUNITY AND SOCIAL SERVICES		1 792	3 378	3 820	3 992	4 361	4 361	4 622	4 827	5 078
Vote 7 - HOUSING		1 376	436	1 303	167	3 247	3 247	178	189	200
Vote 8 - PUBLIC SAFETY		4 089	16 655	27 926	25 265	31 815	31 815	28 371	30 129	31 858
Vote 9 - SPORTS AND RECREATION		3 030	2 617	2 781	3 490	3 913	3 913	2 987	3 069	3 152
Vote 10 - WASTE MANAGEMENT		10 603	13 109	14 210	15 266	15 264	15 264	15 662	16 629	17 595
Vote 11 - ROAD TRANSPORT		11 932	11 210	12 302	13 090	13 091	13 091	13 957	13 697	14 465
Vote 12 - ELECTRICITY		63 297	60 863	67 701	68 515	78 304	78 304	76 568	83 000	89 359
Vote 13 - AIR TRANSPORT		-	-	-	-	-	-	-	-	-
Vote 14 - WORKSHOP		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	229 498	254 808	317 188	350 277	381 828	381 828	375 788	393 574	414 057
Expenditure by Vote to be appropriated	1									
Vote 1 - EXECUTIVE AND COUNCIL		57 268	73 605	90 161	99 874	112 876	112 876	111 711	118 555	124 236
Vote 2 - BUDGET AND TREASURY OFFICE		9 913	11 460	12 501	14 781	15 845	15 845	19 352	17 749	18 694
Vote 3 - CORPORATE SERVICES		7 896	7 408	8 678	9 285	10 513	10 513	13 124	13 931	14 720
Vote 4 - PLANNING AND DEVELOPMENT		3 331	3 394	4 727	5 998	7 507	7 507	6 641	3 977	4 169
Vote 5 - HEALTH		4 437	4 628	4 805	8 031	8 869	8 869	8 269	8 627	8 909
Vote 6 - COMMUNITY AND SOCIAL SERVICES		2 922	2 795	3 341	5 214	5 403	5 403	8 176	7 963	8 390
Vote 7 - HOUSING		1 327	84	1 198	165	3 300	3 300	133	145	157
Vote 8 - PUBLIC SAFETY		18 697	32 158	44 670	48 916	53 923	53 923	52 356	55 502	58 414
Vote 9 - SPORTS AND RECREATION		9 163	9 645	10 526	12 643	12 362	12 362	14 028	14 846	15 514
Vote 10 - WASTE MANAGEMENT		15 052	14 528	15 662	18 286	17 390	17 390	20 030	21 321	22 678
Vote 11 - ROAD TRANSPORT		14 977	15 739	17 945	20 989	20 930	20 930	23 983	24 354	25 498
Vote 12 - ELECTRICITY		55 606	60 516	68 814	72 170	77 243	77 243	76 225	82 456	88 849
Vote 13 - AIR TRANSPORT		12	5	4	13	13	13	14	15	16
Vote 14 - WORKSHOP		429	443	485	691	650	650	735	786	840
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	201 029	236 406	283 515	317 057	346 823	346 823	354 776	370 225	391 084
Surplus/(Deficit) for the year	2	28 469	18 402	33 674	33 221	35 005	35 005	21 012	23 349	22 974

KZN284 uMlalazi - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1										
Revenue By Source											
Property rates	2	30 174	33 227	32 939	41 997	47 454	47 454	47 454	48 498	50 302	53 341
Property rates - penalties & collection charges		691	604	877	751	2 087	2 087	2 087	2 217	2 354	2 493
Service charges - electricity revenue	2	49 305	51 756	52 895	58 352	56 913	56 913	56 913	59 499	64 249	69 049
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	8 194	9 390	10 220	10 827	10 832	10 832	10 832	11 836	12 523	13 192
Service charges - other		–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		1 707	1 323	1 199	1 470	1 180	1 180	1 180	1 253	1 331	1 410
Interest earned - external investments		2 491	3 074	4 146	4 055	5 694	5 694	5 694	6 047	6 422	6 801
Interest earned - outstanding debtors		–	–	352	374	374	374	374	397	422	447
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines		2 835	15 273	26 501	23 809	25 468	25 468	25 468	27 048	28 724	30 419
Licences and permits		3 389	3 309	3 310	3 600	3 354	3 354	3 354	3 562	3 783	4 006
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers recognised - operational		90 698	98 520	120 423	137 720	156 563	156 563	156 563	150 264	152 599	160 339
Other revenue	2	2 760	3 782	15 179	2 739	14 520	14 520	14 520	6 901	3 579	3 815
Gains on disposal of PPE		122	254	30	120	946	946	946	130	140	150
Total Revenue (excluding capital transfers and contributions)		192 367	220 512	268 071	285 814	325 386	325 386	325 386	317 651	326 427	345 463
Expenditure By Type											
Employee related costs	2	54 201	59 569	63 396	88 209	77 088	77 088	77 088	102 252	109 397	114 982
Remuneration of councillors		12 733	13 688	15 921	17 792	17 564	17 564	17 564	19 335	20 688	22 136
Debt impairment	3	1 389	12 864	27 267	21 583	24 293	24 293	24 293	24 456	25 972	27 505
Depreciation & asset impairment	2	18 082	26 032	34 200	28 484	36 675	36 675	36 675	38 925	41 308	43 716
Finance charges		709	660	618	756	583	583	583	541	498	456
Bulk purchases	2	35 992	38 636	39 425	45 474	44 735	44 735	44 735	48 940	53 541	56 574
Other materials	8	–	–	–	–	–	–	–	–	–	–
Contracted services		19 454	21 767	24 603	25 208	29 319	29 319	29 319	29 924	28 752	30 256
Transfers and grants		2 812	2 959	3 398	3 760	3 797	3 797	3 797	4 302	4 547	4 806
Other expenditure	4, 5	55 660	60 231	74 687	85 789	112 769	112 769	112 769	86 101	85 521	90 653
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Total Expenditure		201 029	236 406	283 515	317 057	346 823	346 823	346 823	354 776	370 225	391 084
Surplus/(Deficit)		(8 662)	(15 894)	(15 444)	(31 243)	(21 437)	(21 437)	(21 437)	(37 125)	(43 798)	(45 621)
Transfers recognised - capital	6	37 131	34 296	49 118	64 464	56 442	56 442	56 442	58 137	67 147	68 595
Contributions recognised - capital		–	–	–	–	–	–	–	–	–	–
Contributed assets		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		28 469	18 402	33 674	33 221	35 005	35 005	35 005	21 012	23 349	22 974
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		28 469	18 402	33 674	33 221	35 005	35 005	35 005	21 012	23 349	22 974
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		28 469	18 402	33 674	33 221	35 005	35 005	35 005	21 012	23 349	22 974
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		28 469	18 402	33 674	33 221	35 005	35 005	35 005	21 012	23 349	22 974

CHART A4 FINANCIAL PERFORMANCE (REVENUE)	
2016/2017 MTREF	
DESCRIPTION	BUDGET YEAR 2016/2017 R'000
REVENUE BY SOURCE	
PROPERTY RATES	48 498
SERVICE CHARGES : ELECTRICITY	59 499
SERVICE CHARGES : REFUSE	11 836
TRANSFERS RECOGNISED - OPERATING	150 264
TRANSFERS RECOGNISED - CAPITAL	58 137
OTHER REVENUE	47 554
TOTAL REVENUE	375 788

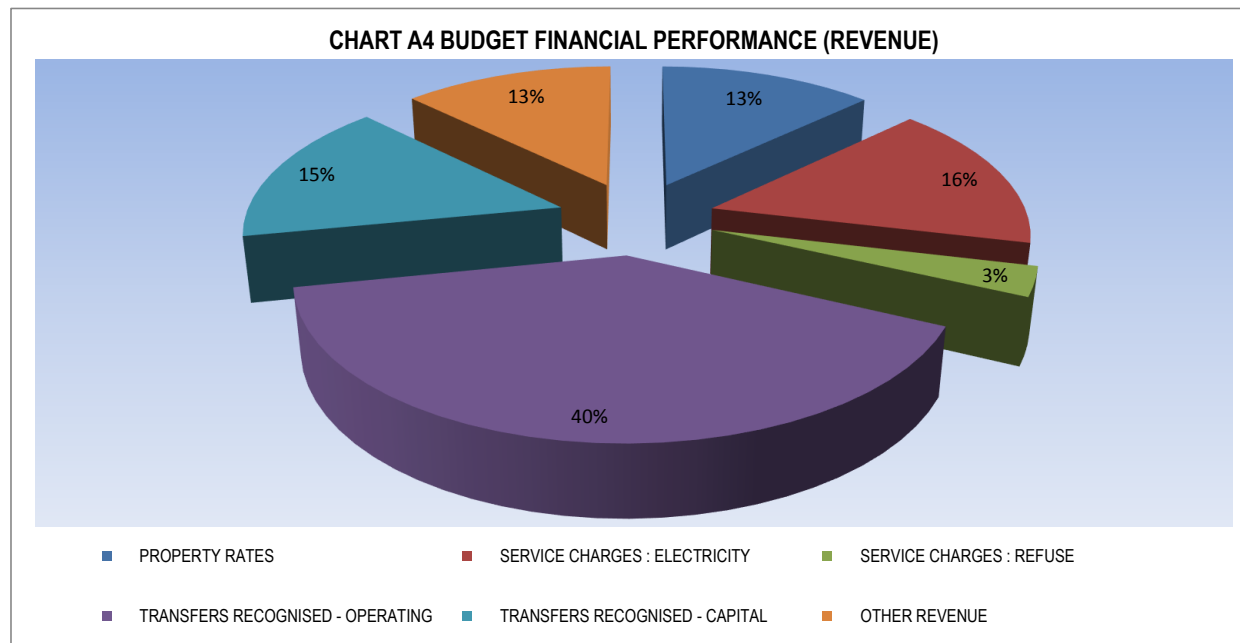
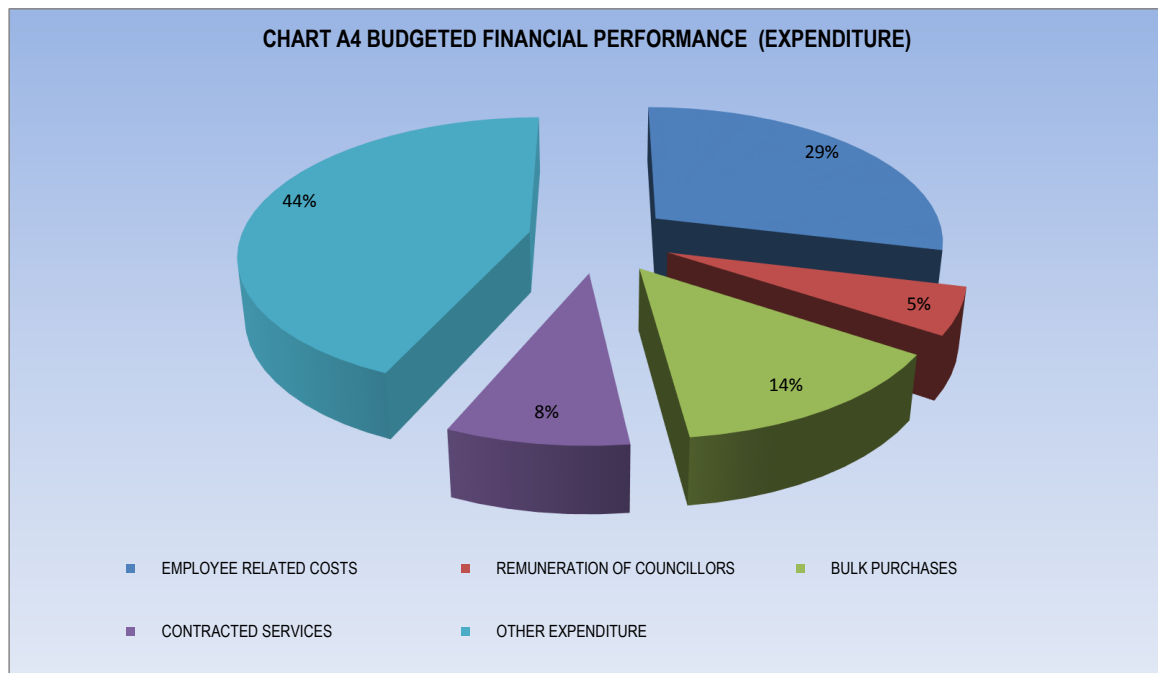


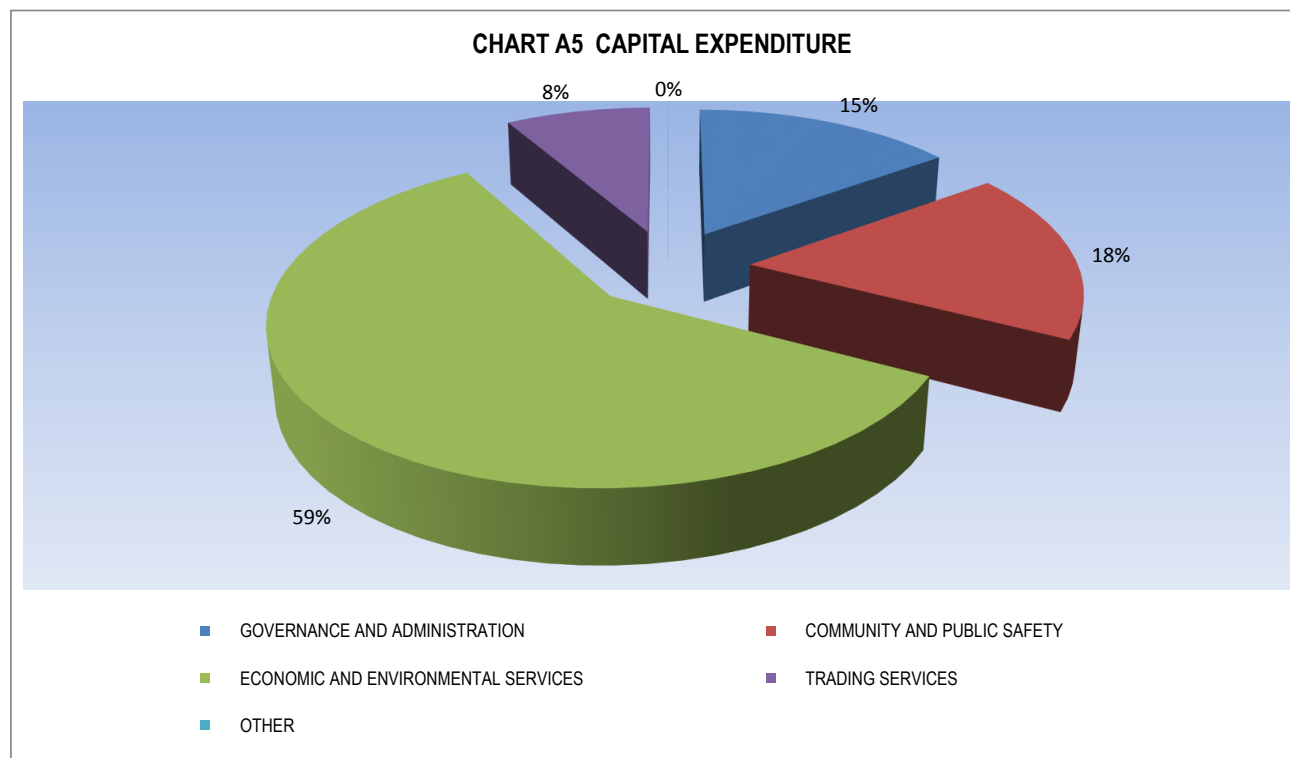
CHART A4 FINANCIAL PERFORMANCE BUDGET (EXPENDITURE)	
2016/2017 MTREF	
DESCRIPTION	BUDGET YEAR 2016/2017R'000
EXPENDITURE BY TYPE	
EMPLOYEE RELATED COSTS	102 252
REMUNERATION OF COUNCILLORS	19 335
BULK PURCHASES	48 940
CONTRACTED SERVICES	29 924
OTHER EXPENDITURE	154 325
TOTAL EXPENDITURE	354 776



KZN284 uMlalazi - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE AND COUNCIL		797	1 046	44	5 963	3 658	3 658	3 658	3 224	1 688	2 620
Vote 2 - BUDGET AND TREASURY OFFICE		265	288	1 479	2 277	2 880	2 880	2 880	1 381	235	280
Vote 3 - CORPORATE SERVICES		2 926	1 624	4 633	6 380	10 833	10 833	10 833	7 052	7 078	13 431
Vote 4 - PLANNING AND DEVELOPMENT		6	75	—	10	10	10	10	25	30	35
Vote 5 - HEALTH		17	14	273	260	1 712	1 712	1 712	1 540	50	20
Vote 6 - COMMUNITY AND SOCIAL SERVICES		922	697	923	1 185	461	461	461	1 185	700	305
Vote 7 - HOUSING		—	—	—	—	—	—	—	—	—	—
Vote 8 - PUBLIC SAFETY		1 823	786	623	920	920	920	920	440	4 540	115
Vote 9 - SPORTS AND RECREATION		2 552	2 376	3 492	9 902	19 996	19 996	19 996	10 370	11 560	7 450
Vote 10 - WASTE MANAGEMENT		528	6 625	284	2 270	1 100	1 100	1 100	4 940	1 150	250
Vote 11 - ROAD TRANSPORT		23 357	21 844	46 579	39 034	34 040	34 040	34 040	45 562	45 651	49 839
Vote 12 - ELECTRICITY		432	1 547	477	4 163	4 134	4 134	4 134	1 560	1 065	1 050
Vote 13 - AIR TRANSPORT		44	243	—	—	—	—	—	—	—	—
Vote 14 - WORKSHOP		—	—	—	—	—	—	—	9	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	—	—
Capital multi-year expenditure sub-total	7	33 670	37 165	58 806	72 364	79 745	79 745	79 745	77 287	73 747	75 395
Capital Expenditure - Standard											
Governance and administration		3 988	2 957	6 156	14 620	17 371	17 371	17 371	11 657	9 001	16 331
Executive and council		797	1 046	44	5 963	3 658	3 658	3 658	3 224	1 688	2 620
Budget and treasury office		265	288	1 479	2 277	2 880	2 880	2 880	1 381	235	280
Corporate services		2 926	1 624	4 633	6 380	10 833	10 833	10 833	7 052	7 078	13 431
Community and public safety		5 314	3 873	5 311	12 267	23 089	23 089	23 089	13 535	16 850	7 890
Community and social services		922	697	923	1 185	461	461	461	1 185	700	305
Sport and recreation		2 552	2 376	3 492	9 902	19 996	19 996	19 996	10 370	11 560	7 450
Public safety		1 823	786	623	920	920	920	920	440	4 540	115
Housing		—	—	—	—	—	—	—	—	—	—
Health		17	14	273	260	1 712	1 712	1 712	1 540	50	20
Economic and environmental services		23 363	21 920	46 579	39 044	34 050	34 050	34 050	45 587	45 681	49 874
Planning and development		6	75	—	10	10	10	10	25	30	35
Road transport		23 357	21 844	46 579	39 034	34 040	34 040	34 040	45 562	45 651	49 839
Environmental protection		—	—	—	—	—	—	—	—	—	—
Trading services		960	8 172	760	6 433	5 234	5 234	5 234	6 500	2 215	1 300
Electricity		432	1 547	477	4 163	4 134	4 134	4 134	1 560	1 065	1 050
Water		—	—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—	—
Waste management		528	6 625	284	2 270	1 100	1 100	1 100	4 940	1 150	250
Other		44	243	—	—	—	—	—	9	—	—
Total Capital Expenditure - Standard	3	33 670	37 165	58 806	72 364	79 745	79 745	79 745	77 287	73 747	75 395
Funded by:											
National Government		32 602	37 165	58 806	64 464	66 360	66 360	66 360	53 637	62 647	68 595
Provincial Government		1 068	—	—	—	4 736	4 736	4 736	4 500	4 500	—
District Municipality		—	—	—	—	—	—	—	—	—	—
Other transfers and grants		—	—	—	—	—	—	—	—	—	—
Transfers recognised - capital	4	33 670	37 165	58 806	64 464	71 097	71 097	71 097	58 137	67 147	68 595
Public contributions & donations	5										
Borrowing	6										
Internally generated funds					7 900	8 648	8 648	8 648	19 150	6 600	6 800
Total Capital Funding	7	33 670	37 165	58 806	72 364	79 745	79 745	79 745	77 287	73 747	75 395

CHART A5 CAPITAL EXPENDITURE BY STANDARD CLASSIFICATION	
2016/2017 MTREF	
DESCRIPTION	BUDGET YEAR 2016/2017R'000
GOVERNANCE AND ADMINISTRATION	11 656 590
COMMUNITY AND PUBLIC SAFETY	13 535 000
ECONOMIC AND ENVIRONMENTAL SERVICES	45 587 050
TRADING SERVICES	6 500 000
OTHER	8 800
TOTAL EXPENDITURE	77 287 440



KZN284 uMlalazi - Table A6 Budgeted Financial Position

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
ASSETS											
Current assets											
Cash		60 488	71 508	79 034	52 605	87 326	87 326	87 326	63 848	54 504	46 262
Call investment deposits	1	–	–	–	–	–	–	–	–	–	–
Consumer debtors	1	24 053	28 133	15 097	25 110	12 110	12 110	12 110	12 400	10 300	9 055
Other debtors		3 048	4 875	9 446	5 035	6 091	6 091	6 091	5 837	6 045	5 074
Current portion of long-term receivables		26	18	21	21	21	21	21	20	20	19
Inventory	2	3 314	3 686	2 546	4 468	2 327	2 327	2 327	2 358	2 460	3 081
Total current assets		90 929	108 220	106 144	87 239	107 875	107 875	107 875	84 463	73 329	63 491
Non current assets											
Long-term receivables		1 423	1 398	1 418	1 452	1 432	1 432	1 432	1 450	1 455	1 461
Investments		1	1	1	1	1	1	1	1	1	1
Investment property		10 316	11 155	16 257	12 785	18 077	18 077	18 077	18 907	19 747	20 247
Investment in Associate											
Property, plant and equipment	3	499 409	613 597	649 826	571 728	698 376	698 376	698 376	739 466	781 751	820 255
Agricultural											
Biological											
Intangible		294	344	481	291	651	651	651	766	976	1 176
Other non-current assets											
Total non current assets		511 443	626 495	667 984	586 257	718 537	718 537	718 537	760 590	803 930	843 140
TOTAL ASSETS		602 372	734 715	774 128	673 496	826 412	826 412	826 412	845 053	877 259	906 631
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	343	343	343	343	343	343	343	343	343	343
Consumer deposits		1 155	1 266	1 386	1 435	1 485	1 485	1 485	1 590	1 645	1 710
Trade and other payables	4	40 185	39 865	39 287	41 473	43 473	43 473	43 473	36 670	36 315	33 112
Provisions		6 558	3 088	4 078	891	4 101	4 101	4 101	4 240	4 445	4 580
Total current liabilities		48 241	44 562	45 094	44 142	49 402	49 402	49 402	42 843	42 748	39 745
Non current liabilities											
Borrowing		5 142	4 799	4 456	4 113	4 113	4 113	4 113	3 770	3 427	3 084
Provisions		12 834	15 763	21 178	16 109	20 997	20 997	20 997	16 390	16 380	16 600
Total non current liabilities		17 976	20 562	25 634	20 222	25 110	25 110	25 110	20 160	19 807	19 684
TOTAL LIABILITIES		66 217	65 124	70 728	64 364	74 512	74 512	74 512	63 003	62 555	59 429
NET ASSETS	5	536 155	669 591	703 400	609 132	751 900	751 900	751 900	782 050	814 704	847 202
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		524 021	658 787	692 119	597 297	740 064	740 064	740 064	769 634	801 703	833 581
Reserves	4	12 133	10 804	11 281	11 835	11 836	11 836	11 836	12 416	13 001	13 621
TOTAL COMMUNITY WEALTH/EQUITY	5	536 155	669 591	703 400	609 132	751 900	751 900	751 900	782 050	814 704	847 202

KZN284 uMlalazi - Table A7 Budgeted Cash Flows

Description		Ref	2012/13	2013/14	2014/15	Current Year 2015/2016				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates, penalties & collection charges			30 865	33 831	33 816	40 611	45 890	45 890	45 890	48 179	50 023	53 042
Service charges			57 500	61 146	63 115	59 120	57 583	57 583	57 583	60 635	65 256	69 905
Other revenue			33 442	26 390	31 919	11 171	13 607	13 607	13 607	12 052	12 761	13 538
Government - operating		1	90 698	98 519	120 423	137 720	156 563	156 563	156 563	150 264	152 599	160 339
Government - capital		1	37 131	34 296	49 118	64 464	56 442	56 442	56 442	58 137	67 147	68 595
Interest			2 491	3 074	4 146	4 055	5 694	5 694	5 694	6 384	6 780	7 180
Dividends										-	-	-
Payments												
Suppliers and employees			(191 017)	(205 520)	(231 991)	(254 979)	(263 986)	(263 986)	(263 986)	(296 194)	(303 401)	(318 901)
Finance charges			(709)	(660)	(618)	(756)	(583)	(583)	(583)	(541)	(498)	(456)
Transfers and Grants		1	(2 812)	(2 959)	(3 398)	(3 579)	(3 797)	(3 797)	(3 797)	(4 302)	(4 547)	(4 806)
NET CASH FROM/(USED) OPERATING ACTIVITIES			57 589	48 117	66 530	57 826	67 413	67 413	67 413	34 614	46 120	48 437
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE			439	254	30	120	946	946	946	130	140	150
Decrease (Increase) in non-current debtors			5	46	(5)	(3)	(14)	(14)	(14)	(18)	(5)	(5)
Decrease (increase) other non-current receivables					-	-				-	-	-
Decrease (increase) in non-current investments					-	-				-	-	-
Payments												
Capital assets			(34 806)	(37 165)	(58 806)	(54 273)	(59 809)	(59 809)	(59 809)	(57 966)	(55 310)	(56 546)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(34 362)	(36 865)	(58 781)	(54 156)	(58 877)	(58 877)	(58 877)	(57 854)	(55 175)	(56 401)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans										-	-	-
Borrowing long term/refinancing										-	-	-
Increase (decrease) in consumer deposits			56	111	120	105	99	99	99	105	55	65
Payments												
Repayment of borrowing			(343)	(343)	(343)	(343)	(343)	(343)	(343)	(343)	(343)	(343)
NET CASH FROM/(USED) FINANCING ACTIVITIES			(287)	(232)	(223)	(238)	(244)	(244)	(244)	(238)	(288)	(278)
NET INCREASE/ (DECREASE) IN CASH HELD			22 940	11 020	7 526	3 432	8 292	8 292	8 292	(23 478)	(9 344)	(8 242)
Cash/cash equivalents at the year begin:		2	37 548	60 488	71 508	49 173	79 034	79 034	79 034	87 326	63 848	54 504
Cash/cash equivalents at the year end:		2	60 488	71 508	79 034	52 605	87 326	87 326	87 326	63 848	54 504	46 262

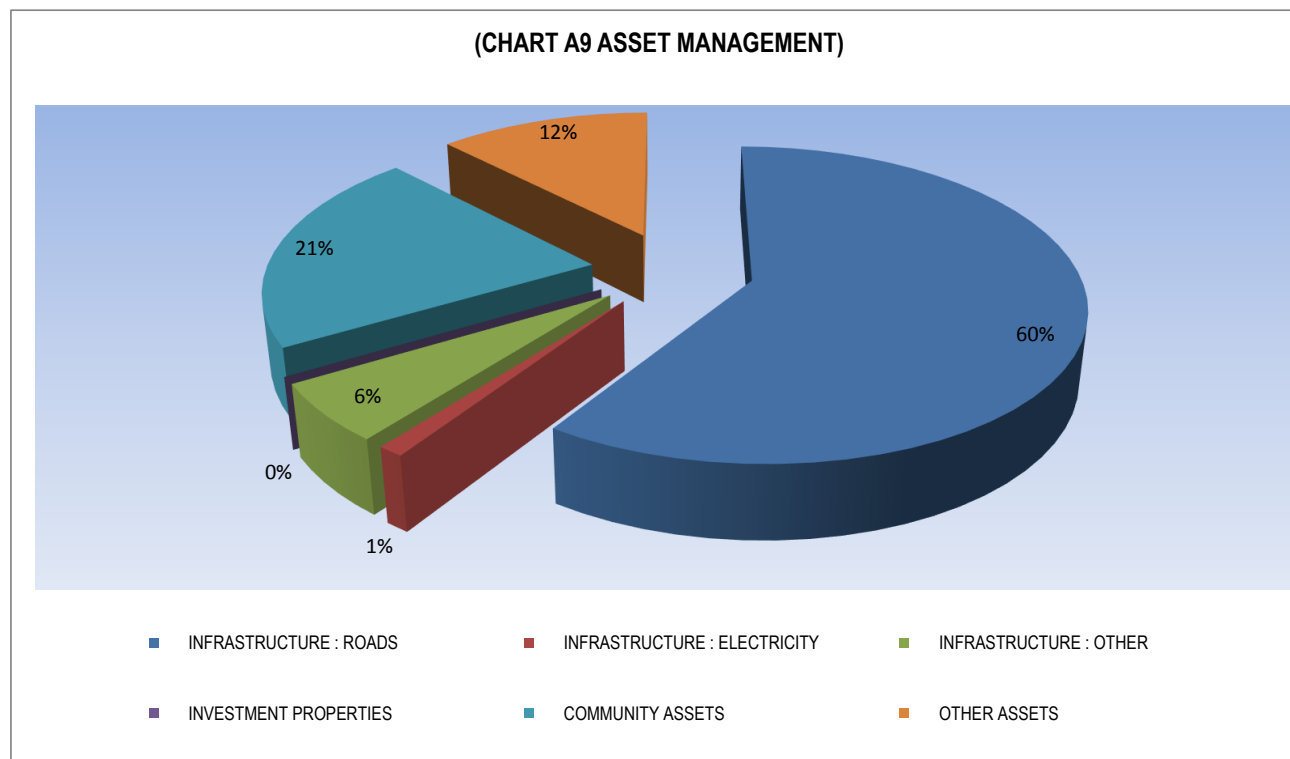
KZN284 uMlalazi - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/2016				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	60 488	71 508	79 034	52 605	87 326	87 326	87 326	63 848	54 504	46 262
Other current investments > 90 days		—	—	—	—	—	—	—	—	—	—
Non current assets - Investments	1	1	1	1	1	1	1	1	1	1	1
Cash and investments available:		60 489	71 509	79 035	52 606	87 327	87 327	87 327	63 849	54 505	46 263
Application of cash and investments											
Unspent conditional transfers		14 162	15 502	12 099	14 000	14 000	14 000	14 000	13 500	13 000	10 000
Unspent borrowing		—	—	—	—	—	—	—	—	—	—
Statutory requirements	2	880	739	1 585	750	750	750	750	700	600	550
Other working capital requirements	3	(9 931)	(13 500)	(270)	2 375	14 550	14 550	14 550	7 710	9 089	10 620
Other provisions		842	793	853	891	891	750	750	910	920	900
Long term investments committed	4	—	—	—	—	—	—	—	—	—	—
Reserves to be backed by cash/investments	5	10 532	10 804	11 836	29 000	29 000	29 000	29 000	12 416	13 001	13 621
Total Application of cash and investments:		16 485	14 338	26 103	47 016	59 191	59 050	59 050	35 236	36 610	35 691
Surplus(shortfall)		44 004	57 171	52 932	5 590	28 136	28 277	28 277	28 613	17 895	10 572

KZN284 uMlalazi - Table A9 Asset Management

Description	2012/13	2013/14	2014/15	Current Year 2015/2016			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
CAPITAL EXPENDITURE									
Total New Assets	26 436	21 416	2 000	28 545	46 233	46 233	47 577	47 128	46 818
Infrastructure - Road transport	16 687	14 628	—	7 587	13 461	13 461	25 147	27 480	31 188
Infrastructure - Electricity	437	345	—	2 370	2 393	2 393	750	380	930
Infrastructure - Water	—	—	—	—	—	—	—	—	—
Infrastructure - Sanitation	—	—	—	—	—	—	—	—	—
Infrastructure - Other	63	2 620	—	1 550	758	758	100	1 100	—
Infrastructure	17 187	17 593	—	11 507	16 613	16 613	25 997	28 960	32 118
Community	5 048	2 613	—	11 512	23 486	23 486	16 225	15 408	13 170
Heritage assets	—	238	—	—	—	—	—	—	—
Investment properties	—	—	2 000	515	750	750	—	—	—
Other assets	4 202	972	—	5 011	5 385	5 385	5 355	2 760	1 530
Agricultural Assets	—	—	—	—	—	—	—	—	—
Biological assets	—	—	—	—	—	—	—	—	—
Intangibles	—	—	—	—	—	—	—	—	—
Total Renewal of Existing Assets	7 234	15 749	56 806	43 819	33 511	33 511	29 710	26 619	28 577
Infrastructure - Road transport	6 024	10 932	45 377	29 131	20 134	20 134	20 750	16 399	18 147
Infrastructure - Electricity	—	254	232	1 343	1 343	1 343	110	90	120
Infrastructure - Water	—	—	—	—	—	—	—	—	—
Infrastructure - Sanitation	—	—	—	—	—	—	—	—	—
Infrastructure - Other	—	1 927	2 284	7 810	5 783	5 783	4 500	—	—
Infrastructure	6 024	13 113	47 893	38 284	27 260	27 260	25 360	16 489	18 267
Community	1 210	1 921	3 401	—	—	—	200	4 000	—
Heritage assets	—	—	—	—	—	—	—	—	—
Investment properties	—	—	—	—	—	—	—	—	—
Other assets	—	715	5 511	5 535	6 252	6 252	4 150	6 130	10 310
Agricultural Assets	—	—	—	—	—	—	—	—	—
Biological assets	—	—	—	—	—	—	—	—	—
Intangibles	—	—	—	—	—	—	—	—	—
Total Capital Expenditure	22 711	25 560	45 377	36 718	33 595	33 595	45 897	43 879	49 335
Infrastructure - Road transport	437	599	232	3 713	3 736	3 736	860	470	1 050
Infrastructure - Electricity	—	—	—	—	—	—	—	—	—
Infrastructure - Water	—	—	—	—	—	—	—	—	—
Infrastructure - Sanitation	—	—	—	—	—	—	—	—	—
Infrastructure - Other	63	4 546	2 284	9 360	6 541	6 541	4 600	1 100	—
Infrastructure	23 211	30 705	47 893	49 791	43 872	43 872	51 357	45 449	50 385
Community	6 258	4 534	3 401	11 512	23 486	23 486	16 425	19 408	13 170
Heritage assets	—	238	—	—	—	—	—	—	—
Investment properties	—	—	2 000	515	750	750	—	—	—
Other assets	4 202	1 687	5 511	10 546	11 637	11 637	9 505	8 890	11 840
Agricultural Assets	—	—	—	—	—	—	—	—	—
Biological assets	—	—	—	—	—	—	—	—	—
Intangibles	—	—	—	—	—	—	—	—	—
TOTAL CAPITAL EXPENDITURE - Asset class	33 670	37 165	58 806	72 364	79 745	79 745	77 287	73 747	75 395
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	200 451	246 283	260 825	253 951	292 035	292 035	311 843	347 173	380 451
Infrastructure - Electricity	38 116	46 831	49 596	40 861	46 571	46 571	54 521	55 407	56 073
Infrastructure - Water	—	—	—	—	—	—	—	—	—
Infrastructure - Sanitation	—	—	—	—	—	—	—	—	—
Infrastructure - Other	—	—	—	—	—	—	—	—	—
Infrastructure	238 567	293 114	310 421	294 812	338 606	338 606	366 364	402 580	436 524
Community	57 250	70 340	74 493	65 343	78 963	78 963	81 889	83 221	84 222
Heritage assets	—	—	—	—	—	—	—	—	—
Investment properties	10 316	11 155	16 257	12 785	18 077	18 077	18 907	19 747	20 247
Other assets	203 592	250 143	264 912	211 573	280 807	280 807	291 213	295 950	299 509
Agricultural Assets	—	—	—	—	—	—	—	—	—
Biological assets	—	—	—	—	—	—	—	—	—
Intangibles	294	344	481	291	651	651	766	976	1 176
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	510 019	625 096	666 565	584 804	717 104	717 104	759 139	802 474	841 678
EXPENDITURE OTHER ITEMS									
Depreciation & asset impairment	18 082	26 032	34 200	28 484	36 675	36 675	38 925	41 308	43 716
Repairs and Maintenance by Asset Class	10 013	15 035	17 463	19 491	21 537	21 537	23 462	23 446	24 757
Infrastructure - Road transport	4 331	8 421	9 780	10 917	12 526	12 526	14 287	13 131	13 866
Infrastructure - Electricity	1 328	1 400	1 626	1 814	1 893	1 893	2 184	2 183	2 305
Infrastructure - Water	—	—	—	—	—	—	—	—	—
Infrastructure - Sanitation	—	—	—	—	—	—	—	—	—
Infrastructure - Other	797	1 886	2 190	2 445	2 550	2 550	2 943	2 941	3 105
Infrastructure	6 456	11 706	13 596	15 176	16 969	16 969	19 413	18 254	19 275
Community	2 982	2 180	2 532	2 826	2 948	2 948	2 255	3 399	3 589
Heritage assets	—	—	—	—	—	—	—	—	—
Investment properties	—	—	—	—	—	—	—	—	—
Other assets	575	1 149	1 335	1 490	1 620	1 620	1 794	1 792	1 893
TOTAL EXPENDITURE OTHER ITEMS	28 095	41 067	51 663	47 976	58 213	58 213	62 388	64 754	68 473
Renewal of Existing Assets as % of total capex	21.5%	42.4%	96.6%	60.6%	42.0%	42.0%	38.4%	36.1%	37.9%
Renewal of Existing Assets as % of deprecn"	40.0%	60.5%	166.1%	153.8%	91.4%	91.4%	76.3%	64.4%	65.4%
R&M as a % of PPE	2.0%	2.5%	2.7%	3.4%	3.1%	3.1%	3.2%	3.0%	3.0%
Renewal and R&M as a % of PPE	3.0%	5.0%	11.0%	11.0%	8.0%	8.0%	7.0%	6.0%	6.0%

CHART A9 ASSET MANAGEMENT	
2016/2017 MTREF	
DESCRIPTION	BUDGET YEAR 2016/2017R'000
ASSET REGISTER SUMMARY	
INFRASTRUCTURE : ROADS	45 897 050
INFRASTRUCTURE : ELECTRICITY	860 000
INFRASTRUCTURE : OTHER	4 600 000
INVESTMENT PROPERTIES	-
COMMUNITY ASSETS	16 425 180
OTHER ASSETS	9 505 210
TOTAL CAPITAL EXPENDITURE	77 287 440



KZN284 uMlalazi - Table A10 Basic service delivery measurement

Description	2012/13	2013/14	2014/15	Current Year 2015/2016			2016/17 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Household service targets									
Water:									
Piped water inside dwelling	-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)	-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total	-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	-	-	-	-	-	-	-	-	-
No water supply	-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	-
Total number of households	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)	-	-	-	-	-	-	-	-	-
Chemical toilet	-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)	-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total	-	-	-	-	-	-	-	-	-
Bucket toilet	-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-
No toilet provisions	-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	-
Total number of households	-	-	-	-	-	-	-	-	-
Energy:									
Electricity (at least min.service level)	528	440	275	270	270	270	255	250	245
Electricity - prepaid (min.service level)	3 630	3 756	3 921	3 926	3 926	3 926	3 970	3 975	3 980
Minimum Service Level and Above sub-total	4 158	4 196	4 196	4 196	4 196	4 196	4 225	4 225	4 225
Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
Other energy sources	706	726	726	730	730	730	743	787	835
Below Minimum Service Level sub-total	706	726	726	730	730	730	743	787	835
Total number of households	4 864	4 922	4 922	4 926	4 926	4 926	4 968	5 012	5 060
Refuse:									
Removed at least once a week	4 600	4 609	4 622	5 384	5 384	5 384	5 390	5 390	5 390
Minimum Service Level and Above sub-total	4 600	4 609	4 622	5 384	5 384	5 384	5 390	5 390	5 390
Removed less frequently than once a week	-	-	-	-	-	-	-	-	-
Using communal refuse dump	-	-	-	-	-	-	-	-	-
Using own refuse dump	-	-	-	-	-	-	-	-	-
Other rubbish disposal	-	-	-	-	-	-	-	-	-
No rubbish disposal	-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	-
Total number of households	4 600	4 609	4 622	5 384	5 384	5 384	5 390	5 390	5 390
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)	-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)	-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)	-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Water (6 kilolitres per indigent household per month)	-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)	-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)	30	30	30	32	32	32	-	34	36
Refuse (removed once a week for indigent households)	136	131	139	147	147	147	-	156	164
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	-	-	-	-	-	-	-	-	-
Total cost of FBS provided	167	161	169	179	179	179	-	190	200
Highest level of free service provided per household									
Property rates (R value threshold)	75 000	75 000	75 000	100 000	100 000	100 000	100 000	100 000	100 000
Water (kilolitres per household per month)	-	-	-	-	-	-	-	-	-
Sanitation (kilolitres per household per month)	-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)	-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	105	111	118	125	125	125	133	140	147
Revenue cost of subsidised services provided (R'000)									
Property rates (tariff adjustment) (impermissable values per section 17 of MPRA)	8 925	10 400	13 140	31 627	26 112	26 112	26 112	29 482	32 201
Property rates exemptions, reductions and rebates and impermissable values in excess	-	-	-	-	-	-	-	-	-
Water (in excess of 6 kilolitres per indigent household per month)	-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)	-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)	1 114	1 090	1 128	1 336	1 174	1 174	1 174	1 193	1 273
Refuse (in excess of one removal a week for indigent households)	1 236	1 338	1 542	1 650	1 643	1 643	1 643	1 869	1 977
Municipal Housing - rental rebates	-	-	-	-	-	-	-	-	-
Housing - top structure subsidies	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	11 276	12 828	15 811	34 614	28 928	28 928	28 928	32 544	35 451

5. OVERVIEW OF ANNUAL BUDGET PROCESS

5.1 Process to prepare the budget

The budget and IDP process occurred according to the budget timetable approved by Council in 8 October 2015. The Budget and MTREF was also prepared taking cognizance of the contents of the LG: MFMA, Act No. 56 of 2003, Circulars No.78, 79 and the LG: MFMA Budget Formats Guide received from National Treasury.

5.2 Service Delivery and Budget Implementation Plan

Section 1 of the Local Government: Municipal Finance Management Act (No.56 of 2003) defines the SDBIP as:

- “ a detailed plan approved by the mayor of a municipality in terms of section 53 (1)(c)(ii) for implementing the municipality’s delivery of services and the execution of its annual budget and which must include (as part of the top-layer) the following:
- (a) projections for each month of-
 - (i) revenue to be collected, by source; and
 - (ii) operational and capital expenditure, by vote;
 - (b) service delivery targets and performance indicators for each quarter”.

The municipal manager is responsible for the preparation of the SDBIP, which must be legally submitted to the mayor for approval once the budget has been approved by the council (around end-May or early-June). However, the municipal manager should start the process to prepare the top-layer of the SDBIP no later than the tabling of the budget (around March or earlier) and preferably submit a draft SDBIP to the mayor by 1 May (for initial approval). Once the budget is approved by the Council, the municipal manager should merely revise the approved draft SDBIP, and submit for final approval within 14 days after the approval of the budget. The mayor should therefore approve the final SDBIP and performance agreements simultaneously, and then make the SDBIP and performance agreement of the municipal manager public within 14 days, preferably before 1 July. Note that it is only the top layer (of high-level) detail of the SDBIP that is required to be made public.

It is the output and goals made public in the SDBIP that will be used to measure performance on a quarterly basis during the financial year. Note that such in-year monitoring is meant to be a light form of monitoring. The council should reserve its oversight role over performance at the end of the financial year, when the mayor tables the annual report of the municipality. The in-year monitoring is designed to pick up major problems only, and aimed at ensuring that the mayor and municipal manager are taking corrective steps when any unanticipated problems arise. The SDBIP serves a critical role to focus both the administration and council on outputs by providing clarity of service delivery expectations, expenditure and revenue requirements, service delivery targets and performance indicators.

The SDBIP provides the vital link between the mayor, council (executive) and the administration, and facilitates the process for holding management accountable for its performance. The SDBIP is a management, implementation and monitoring tool that will assist the mayor, councilors, municipal manager, senior managers and community. A properly formulated SDBIP will ensure that appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget, performance of senior management and achievement of the strategic objectives set by council. It enables the municipal manager to monitor the performance of senior managers, the mayor to monitor the performance of the municipal manager, and for the community to monitor the performance of the municipality. The SDBIP should therefore determine (and be consistent with) the performance agreements between the mayor and the municipal manager and the municipal manager and senior managers determined at the start of every financial year and approved by the mayor. It must also be consistent with outsourced service delivery agreements such as municipal entities, public-private partnerships, service contracts and the like.

The service delivery and budget implementation plan (SDBIP) for the 2016/2017 budget year is attached as Annexure 5.

5.3 ALIGNMENT OF THE IDP, BUDGET & MUNICIPAL PERFORMANCE MANAGEMENT PROCESSES

Hereunder follows the cyclical linkages of the IDP, Budget and OPMS

	DRAFT 2016/17 IDP/BUDGET AND PMS PROCESS PLAN				
	PHASE 1 - PREPARATORY PHASE: (INFORMATION GATHERING AND SITUATIONAL ANALYSIS)				
MONTH	ACTIVITIES				
	IDP	PMS	BUDGET		
JULY	<ul style="list-style-type: none"> Preparation of the Draft IDP / Budget and PMS Process Plan. Tabling of the Draft Process Plan to MANCO Engagement with Budget Office and PMS for alignment purposes. Prepare Departmental Business/Sectorial Plans for the 2016/2017 financial year. 	<ul style="list-style-type: none"> Signing of new performance contracts for Section 57 Managers and submission to EXCO on July 2015 (Section 69 of the MFMA and Section 57 of the MSA). Roll out of the SDBIP for 2015/16 2014/2015 Final S57 Managers' Performance Assessments. Preparation of s46 Reports by various HOD's. 	Mayor and Council <ul style="list-style-type: none"> Mayor begins planning for next three-year budget in accordance with co-ordination role of budget process MFMA s 53 Planning includes review of the previous years budget process and completion of the Budget Evaluation Checklist 	Administration - Municipality and Entity <ul style="list-style-type: none"> Accounting officers and senior officials of municipality and entities begin planning for next three-year budget MFMA s 68, 77 Accounting officers and senior officials of Municipality and entities review options and contracts for service delivery MSA s 76-81 	Budget Review Activities <ul style="list-style-type: none"> Approve and announce new budget schedule and set up committees and forums. Consultation on performance and changing needs.

AUG	<ul style="list-style-type: none"> Advertisement of the IDP Process Plan in compliance with MSA 2000. IDP preparation process initiated. Review of comments received on the 2015/16 IDP Review document. Self-assessment to identify gaps in the IDP process. Integration of information from adopted Sector Plans into the IDP Review document. Initiation of new sector plans into the IDP, if any. Updating and review of the strategic elements of the IDP in light of the new focus of Council. IDP Steering Committee Meeting. Submission of Draft Process Plan to COGTA for Comments 	<ul style="list-style-type: none"> Submission of Q4 SDBIP Reports (for last quarter of MPPR Reg. 14 Submission of the Annual Performance Reports prepared in terms of s46 of MSA 2000 to Council Submission of s46 Report to AG Quarterly Audit Committee meeting on August (for the last quarter) MFMA Sect 166 & MPPR Reg. 14(3)(a) Evaluation Panel Audit Committee meeting (for evaluation of Sect 57 Managers final assessments) MPPR Reg. 14(3)(b) 	<ul style="list-style-type: none"> Mayor tables in Council a time schedule outlining key deadlines for: preparing, tabling and approving the budget; reviewing the IDP (as per s 34 of MSA) and budget related policies and consultation processes at least 10 months before the start of the budget year. MFMA s 21,22, 23; MSA s 34, Chapter 4 as amended Mayor establishes committees and consultation forums for the budget process 	<ul style="list-style-type: none"> Accounting Officer to submit AFS to Auditor-General [Due by 31 August, MFMA Sec 126(1)(a)] 	<ul style="list-style-type: none"> Consultation on performance and changing needs. Review performance and financial position. Review external mechanisms. Start Planning for next three years.
PHASE 2 – STRATEGY FORMULATION					
SEPT	<ul style="list-style-type: none"> Integration of information from adopted Sector Plans into the IDP Review document if possible Council Adopts Final Process Plan IDP Indaba. Phase 5: Scheme Preparation – Preparing the Scheme Map and Draft Document 	<ul style="list-style-type: none"> Auditor General audit of performance measures Reminder to be sent to HOD's to submit their Q1 SDBIP Reports in terms of s41 MSA 	<ul style="list-style-type: none"> Council through the IDP review process determines strategic objectives for service delivery and development for next three- year budgets including review of provincial and national government sector and strategic plans 	<ul style="list-style-type: none"> Budget offices of municipality and entities determine revenue projections and proposed rate and service charges and drafts initial allocations to functions and departments for the next financial year after taking into account strategic objectives Engages with Provincial and National sector departments on sector 	<ul style="list-style-type: none"> Update policies, priorities and objectives. Determine revenue projections and policies.

				specific programmes for alignment with municipalities plans (schools, libraries, clinics, water, electricity, roads, etc.)	
OCT	<ul style="list-style-type: none"> Strategic Planning Session: Review and updating of the IDP Vision, Mission and Objectives. Integration of information from adopted Sector Plans into the Draft IDP Review document. Updating and review of the strategic elements of the IDP in light of the new focus of Council. IDP Road Shows (Identification of IDP Priority Projects) IDP Steering Committee Meeting. Submit Process Plan to COGTA. SDF – Table intention to amend SDF to Council Phase 6: Wall to Wall Scheme – Public Consultations on the Draft Scheme 	<ul style="list-style-type: none"> Submission of Q1 Reports by HOD's Q1 Reports tabled to Council (for first quarter) MPPR Reg. 14 Sect 57 Managers quarterly informal assessments. 		<ul style="list-style-type: none"> Accounting officer does initial review of national policies and budget plans and potential price increases of bulk resources with function and department officials MFMA s 35, 36, 42; MTBPS 	<ul style="list-style-type: none"> Determine revenue projections and policies. Engagement with sector departments, share and evaluate plans, national policies, MTBPS. Draft initial allocations to functions. Draft initial changes to IDP.
PHASE 3 – FEEDBACK AND ANALYSIS					
NOV	<ul style="list-style-type: none"> Municipal Strategies, Objectives, KPA's, KPI's and targets. Identification of priority IDP projects. Project alignment between the DM and LM's and Sector Departments. IDP Feedback Sessions Convene IDP Representative Forum. IDP Road Shows (Identification of IDP Priority Projects). Phase 7: Wall to Wall Scheme – 	<ul style="list-style-type: none"> Quarterly Audit Committee meeting (for the first quarter of 15/16) MFMA Sect 166 & MPPR Reg. 14(3)(a) 		<ul style="list-style-type: none"> Accounting officer reviews and drafts initial changes to IDP MSA s 34 Auditor-General to return audit report [Due by 30 November, MFMA 126(4)] 	<ul style="list-style-type: none"> Draft initial changes to IDP. Consolidation of budgets and plans. Exco determines strategic choices for next three years.

	Adoption and Application Procedures				
DEC	<ul style="list-style-type: none"> Department of COGTA to comment on the reviewed Municipal Strategies, Objectives, KPA's, KPI's and targets. Project alignment between the DM and LM's. Identification of priority IDP projects. (Continue) 	<ul style="list-style-type: none"> Compile annual report for 14/15 (MFMA Sect 121) Reminder to be sent to HOD's to submit their Q2 SDBIP Reports in terms of s41 MSA 	<ul style="list-style-type: none"> Council finalises tariff (rates and service charges) policies for next financial year MSA s 74, 75 	<ul style="list-style-type: none"> Accounting officer and senior officials consolidate and prepare proposed budget and plans for next financial year taking into account previous year's performance as per audited financial statements 	<ul style="list-style-type: none"> Executive determines strategic choices for next three years. Finalise tariff policies.
<ul style="list-style-type: none"> PHASE 4 – DRAFT IDP 					
JAN	<ul style="list-style-type: none"> Municipal Strategies, Objectives, KPA's, KPI's and targets. Identification of priority IDP projects. IDP Steering Committee Meeting Phase 8: Wall to Wall Scheme – Close Out Report. 	<ul style="list-style-type: none"> Submission of Q2 Reports by HOD's Q2 Reports tabled to Council. MPPR Reg. 14 Mayor tables draft annual report for 14/15 MFMA Sect 127(2) Make public annual report and invite community inputs into report (MFMA Sect 127 & MSA Sect 21a) Municipal Manager submits Midterm/Midyear Report to the Mayor (in terms s72 MFMA) Midterm/Midyear Report is published in the Local Newspaper 	<ul style="list-style-type: none"> Entity board of directors must approve and submit proposed budget and plans for next three-year budgets to parent municipality at least 150 days before the start of the budget year MFMA s 87(1) 	<ul style="list-style-type: none"> Accounting officer reviews proposed national and provincial allocations to municipality for incorporation into the draft budget for tabling. (Proposed national and provincial allocations for three years must be available by 20 January) MFMA s 36 	<ul style="list-style-type: none"> Prepare detailed budgets and plans for the next three years.
FEB	<ul style="list-style-type: none"> Continuous Review of Municipal Strategies, Objectives, KPA's, KPI's and targets. Identification of priority IDP projects. IDP Steering Committee Meeting 	<ul style="list-style-type: none"> Quarterly Project Implementation Report (MPPR Reg. 15) Quarterly Audit Committee meeting (MFMA Sect 166 & MPPR Reg. 14(3)(a)) 	<ul style="list-style-type: none"> Council considers municipal entity proposed budget and service delivery plan and accepts or makes recommendations to the entity 	<ul style="list-style-type: none"> Accounting officer finalises and submits to Mayor proposed budgets and plans for next three-year budgets taking into account the 	<ul style="list-style-type: none"> Prepare detailed budgets and plans for the next three years. Exco adopts budget and plans and changes to IDP.

		<ul style="list-style-type: none"> Submit Annual Report to AG, Provincial & DLGTA (MFMA Sect 127) Sect 57 Managers' formal quarterly assessments. 	MFMA s 87(2)	recent mid-year review and any corrective measures proposed as part of the oversight report for the previous years audited financial statements and annual report	
PHASE 5: ASSESSMENT FEEDBACK ON THE DRAFT IDP AND BUDGET					
MARCH	<ul style="list-style-type: none"> Finalization of Municipal Strategies, Objectives, KPA's, KPI's and targets. IDP Steering Committee Meeting Convene IDP Representative Forum Publicise Draft IDP and Budget (Invite Local Community to make written comments in respect of the IDP and Budget) (21 days for advertising) Conclusion of Sector Plans (if any) initiated for the 2015/16 financial year and integration into the IDP Review report. Adoption of draft IDP and Budget 2015/2016 	<ul style="list-style-type: none"> Council to consider and adopt an oversight report [Due by 30 March MFMA Sec 129(1)] Council Adopts Annual Report for the year ending June 2015 Publicise Annual Report and MPAC Report Draft SDBIP's for 2016/17 developed and for incorporation into draft IDP 2016/17 FY Reminder to be sent to HOD's to submit their Q3 SDBIP Reports in terms of s41 MSA Set performance objectives for revenue for each budget vote (MFMA Sect 17) 	<ul style="list-style-type: none"> Entity board of directors considers recommendations of parent municipality and submit revised budget by 22nd of month MFMA s 87(2) Mayor tables municipality budget, budgets of entities, resolutions, plans, and proposed revisions to IDP at least 90 days before start of budget year MFMA s 16, 22, 23, 87; MSA s 34 	<ul style="list-style-type: none"> Accounting officer publishes tabled budget, plans, and proposed revisions to IDP, invites local community comment and submits to NT, PT and others as prescribed MFMA s 22 & 37; MSA Ch 4 as amended Accounting officer reviews for bulk resources as communicated by 15 March MFMA s 42 	<ul style="list-style-type: none"> Mayor tables budget, resolutions, plans and changes to IDP at least 90 days before the start of the financial year.
APR	<ul style="list-style-type: none"> Review written comments in respect of the Budget and IDP Conclusion of Sector Plans initiated for the 2015/16 financial year and integration into the IDP Review report. IDP Steering Committee Meeting Public participation process launched through series of public hearings on the 	<ul style="list-style-type: none"> Q3 Reports tabled to Council MPPR Reg. 14 Refinement of Municipal Strategies, Objectives, KPA's, KPI's and targets and inclusion into 2016/17 IDP Review report. Sect 57 Managers' informal quarterly assessments 	<ul style="list-style-type: none"> MFMA s 21 	<ul style="list-style-type: none"> Accounting officer assists the Mayor in revising budget documentation in accordance with consultative processes and taking into account the results from the 	<ul style="list-style-type: none"> Public hearings on the Budget, Council Debate on Budget and Plans.

	IDP and Budget.	<ul style="list-style-type: none"> Publicise Annual Report [Due by April MFMA Sec 129(3)] Submit Annual Report to Provincial Legislature/MEC Local Government [Due by April MFMA Sec 132(2)] Review annual organisational performance targets (MPPR Reg 11) 		third quarterly review of the current year	
MAY	<ul style="list-style-type: none"> Adoption of the IDP by Council. Publicize IDP and Budget in the Local Newspaper. 	<ul style="list-style-type: none"> Community input into organisation KPIs and targets Budget for expenses of audit committee 	<ul style="list-style-type: none"> Council to consider approval of budget and plans at least 30 days before start of budget year. MFMA s 23, 24; MSA Chapter 4 as amended Entity board of directors to approve the budget of the entity not later than 30 days before the start of the financial year, taking into account any hearings or recommendations of the council of the parent municipality MFMA s 87 	<ul style="list-style-type: none"> Accounting officer assists the Mayor in preparing the final budget documentation for consideration for approval at least 30 days before the start of the budget year taking into account consultative processes and any other new information of a material nature 	
JUNE	<ul style="list-style-type: none"> Submission of the Final IDP to DCOGTA 	<ul style="list-style-type: none"> Reminder to be sent to HOD's to submit their Q3 SDBIP Reports in 	<ul style="list-style-type: none"> Council must approve annual budget by resolution, setting 	<ul style="list-style-type: none"> Accounting officer submits to the mayor no 	<ul style="list-style-type: none"> Publish budget and plans. Finalise performance

		terms of s41 MSA	<p>taxes and tariffs, approving changes to IDP and budget related policies, approving measurable performance objectives for revenue by source and expenditure by vote before start of budget year</p> <p>MFMA s 16, 24, 26, 53</p> <p>Mayor must approve SDBIP within 28 days after approval of the budget and ensure that annual performance contracts are concluded in accordance with sect 57(2) of the MSA. Mayor to ensure that the annual performance agreements are linked to the measurable performance objectives approved with the budget and SDBIP. The mayor submits the approved SDBIP and performance agreements to council, MEC for local government and makes public within 14 days after approval.</p> <ul style="list-style-type: none"> • MFMA s 53; MSA s 38-45, 57(2) • Council must Finalise a system of delegations. • MFMA s 59, 79, 82; MSA s 59-65 	<p>later than 14 days after approval of the budget a draft of the SDBIP and annual performance agreements required by s 57(1)(b) of the MSA.</p> <p>MFMA s 69; MSA s 57</p> <ul style="list-style-type: none"> • Accounting officers of municipality and entities publishes adopted budget and plans <p>MFMA s 75, 87</p>	<ul style="list-style-type: none"> • contracts and delegation. Council adopts budget, resolutions, capital implementation plans, objectives and changes in IDP.
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5.4 Consultation process

The 2016/2017 Budget and MTREF was tabled before Council on 16 March 2016 for community consultation. It was published on the municipality's website, and hard copies were made available at customer care offices, municipal notice boards and various libraries.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

The proposed consultation meetings with the community were scheduled as follows:

CLUSTER NO.	WARD CLUSTERS	VENUE	DATE	TIME
1.	1, 2, 3, 4 and 8	Ward 1 : Mvuzane Sportsfield (Marquee)	31 March 2016	11H00
2.	23, 24, 25 and 26	Ward 23: eSkebheni Community Hall	3 April 2016	10H00
3.	19, 20, 21 and 22	Ward 20: Hlakaniphani H/School Sportsfield (Marquee)	5 April 2016	10H00
4.	5, 6 and 7	Ward 6: Mombeni Community Center	6 April 2016	10H00
5.	6, 7, 9, 10, 11, 12, 13 and 14	Ward 13: (King Zwelithini H/School) (Marquee)	7 April 2016	10H00
6.	15, 16, 17 and 18	Ward 16: Mvutshini Sportsfield	12 April 2016	11H00

2016/2017 IMPLEMENTATION PLAN

Directorate [R]	National Outcome [R]	National KPA [R]	Pre-determined Objective [R]	NDP Objective [R]	STRATEGIC Objective [R]	Municipal KPA [R]	KPI Unit of measurement		KPI Calculation Type [R]	KPI Target Type [R]	ANNUAL BUDGET	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
List	List	List	List	List	List	List	500 characters	500 characters	List	List		Target	Target	Target	Target	Target
Office of the MM	A responsive and accountable, effective and efficient local government system	Municipal Transformation and Institutional Development	To improve Service Delivery and the image of uMlalazi Municipality	Developing a capable and Development State	To improve Service Delivery and the image of uMlalazi Municipality	Municipal Transformation and Institutional Development	Fill all funded prioritized vacant posts in the organogram by 30 June 2017	No. of funded prioritized vacant posts filled by 30 June 2017	Accumulative	Number	R 5 000 000	2	0	0	0	0
Corporate Services	A responsive and accountable, effective and efficient local government system	Municipal Transformation and Institutional Development	To improve Service Delivery and the image of uMlalazi Municipality	Developing a capable and Development State	To improve Service Delivery and the image of uMlalazi Municipality	Municipal Transformation and Institutional Development	Review the Organisational structure and submit report to council by 30 June 2017	Organisational structure reviewed and report submitted to council by 30 June 2017	Stand-Alone	Number	R 4 880	1	1	1	1	1
Office of the MM	A responsive and accountable, effective and efficient local government system	Municipal Transformation and Institutional Development	To improve Service Delivery and the image of uMlalazi Municipality	Developing a capable and Development State	To improve Service Delivery and the image of uMlalazi Municipality	Municipal Transformation and Institutional Development	Sign performance agreements with all section 56/57 managers by 31 July 2016	Number of performance agreements signed by 31 July 2016	Accumulative	Number	R 4 560	7	7	7	7	7
Corporate Services	A skilled and capable workforce to support inclusive growth	Municipal Transformation and Institutional Development	Organisational skills development and capacity building	Developing a capable and Development State	Organisational skills development and capacity building	Municipal Transformation and Institutional Development	Submit quarterly reports to the LLF on internship, learnership and in-service trainings/programmes implemented	Number of reports submitted to the LLF by 30 June 2017	Accumulative	Number	R 194 400	4	4	4	4	4
Corporate Services	A responsive and accountable, effective and efficient local government system	Municipal Transformation and Institutional Development	Organisational skills development and capacity building	Developing a capable and Development State	Organisational skills development and capacity building	Municipal Transformation and Institutional Development	Training to be provided to 50 staff by 30 June 2017	Number of staff trained by 30 June 2017	Carry Over	Percentage	R 511 910	90	90	90	90	90
Office of the MM	A responsive and accountable, effective and efficient local government system	Municipal Transformation and Institutional Development	Effective and efficient Municipal Administration & Communication	Developing a capable and Development State	Effective and efficient Municipal Administration & Communication	Municipal Transformation and Institutional Development	Compile at least 2 Municipal newsletters by 30 June 2017	Number of municipal newsletters compiled by 30 June 2017	Accumulative	Number	R 2 000 000	2	2	2	2	2

Directorate [R]	National Outcome [R]	National KPA [R]	Pre-determined Objective [R]	NDP Objective [R]	STRATEGIC Objective [R]	Municipal KPA [R]	KPI	Unit of measurement	KPI Calculation Type [R]	KPI Target Type [R]	ANNUAL BUDGET	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Office of the MM	A responsive and accountable, effective and efficient local government system	Municipal Transformation and Institutional Development	Strengthen and improve employment equity in the municipality	Developing a capable and Development State	Strengthen and improve employment equity in the municipality	Municipal Transformation and Institutional Development	2 people from employment equity target groups to be employed in the three highest levels of management in compliance with approved equity plan by 30 June 2016	Number of people employed in terms of EEP by 30 June 2017	Carry Over	Number	R 4 880	2	2	2	2	2
Corporate Services	A responsive and accountable, effective and efficient local government system	Municipal Transformation and Institutional Development	Strengthen and improve employment equity in the municipality	Developing a capable and Development State	Strengthen and improve employment equity in the municipality	Municipal Transformation and Institutional Development	Establish an Employment Equity Committee by 31 December 2016	Employment Equity committee established by 31 December 2016	Stand-Alone	Number	R 4 880	1	0	0	0	0
Corporate Services	A responsive and accountable, effective and efficient local government system	Municipal Transformation and Institutional Development	Policy Development	Developing a capable and Development State	Policy Development	Municipal Transformation and Institutional Development	Review 3 Budget related policies that were previously approved and submit to Council by 31 March 2017	Budget related policies reviewed and submitted to Council by 31 March 2017	Accumulative	Number	R 4 880	3	3	3	3	3
ALL	A responsive and accountable, effective and efficient local government system	Municipal Transformation and Institutional Development	To improve Contract management	Developing a capable and Development State	To improve Contract management	Municipal Transformation and Institutional Development	Conduct needs assessments for use of Service Providers and submit to exco by 31 December 2016	Needs assessment completed and submitted to exco by 31 December 2016	Accumulative	Number	R 19 280	1	1	1	1	1
Corporate Services	A responsive and accountable, effective and efficient local government system	Municipal Transformation and Institutional Development	To improve Service Delivery and the image of uMlalazi Municipality	Developing a capable and Development State	To improve Service Delivery and the image of uMlalazi Municipality	Municipal Transformation and Institutional Development	Conduct community satisfaction survey and submit report to EXCO by 31 March 2017	Reports submitted to EXCO on the customer satisfaction surveys by 31 March 2017.	Stand-Alone	Number	R 4 880	1	1	1	1	1
Corporate Services	A responsive and accountable, effective and efficient local government system	Municipal Transformation and Institutional Development	To improve Service Delivery and the image of uMlalazi Municipality	Developing a capable and Development State	To improve Service Delivery and the image of uMlalazi Municipality	Municipal Transformation and Institutional Development	Conduct staff satisfaction survey and submit report to EXCO by 31 March 2017	Reports submitted to EXCO on the staff satisfaction surveys by 31 March 2017.	Stand-Alone	Number	R 4 880	1	1	1	1	1
community Services	Sustainable human settlements and improved quality of household life	Basic Service Delivery	To provide Free Basic Services to all indigent households	Social Protection	To provide Free Basic Services to all indigent households	Basic Service Delivery and Infrastructure Development	Provide free basic refuse services to 12 000 indigent households in rural areas with available resources by 30 June 2017	Number of households provided with access to free basic waste collection services by 30 June 2017.	Carry Over	Number	R 1 868 850	12000	12000	12000	12000	12000

Directorate [R]	National Outcome [R]	National KPA [R]	Pre-determined Objective [R]	NDP Objective [R]	STRATEGIC Objective [R]	Municipal KPA [R]	KPI	Unit of measurement	KPI Calculation Type [R]	KPI Target Type [R]	ANNUAL BUDGET	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Engineering Services	Sustainable human settlements and improved quality of household life	Basic Service Delivery	To provide Free Basic Services to all indigent households	Social Protection	To provide Free Basic Services to all indigent households	Basic Service Delivery and Infrastructure Development	Provide free basic electricity services to 2300 indigent households by 30 June 2017 with available resources	Number of households provided with access to free basic electricity services by 30 June 2017.	Carry Over	Number	R 1 193 180	2300	2300	2300	2300	2300
Engineering Services	An effective, competitive and responsive economic infrastructure network	Basic Service Delivery	To facilitate the provision of potable water and sanitation	Economy and Development	To facilitate with uThungulu to ensure alignment of water and sanitation provisioning to all Municipal Capital and other large scale Projects	Basic Service Delivery and Infrastructure Development	Attend meetings with uThungulu to ensure alignment of water and sanitation provisioning to all Municipal Capital and other large scale Projects and submit quarterly reports to Portfolio Committee on meetings attended	Number of reports submitted to the Portfolio Committee by 30 June 2017	Accumulative	Number	R 19 280	4	4	4	4	4
Engineering Services	An effective, competitive and responsive economic infrastructure network	Basic Service Delivery	To facilitate the provision of electricity	Economy and Development	To facilitate with Eskom to ensure alignment of electricity provisioning to all Municipal Wards	Basic Service Delivery and Infrastructure Development	Attend meetings with Eskom to ensure electricity provisioning in Municipal wards and submit quarterly reports to the Portfolio Committee on meetings attended	Number of reports submitted to the Portfolio Committee by 30 June 2017	Accumulative	Number	R 19 280	4	4	4	4	4
Engineering Services	An effective, competitive and responsive economic infrastructure network	Basic Service Delivery	To facilitate with Eskom to ensure alignment of electricity provisioning to all Municipal Wards	Economy and Development	To facilitate with Eskom to ensure alignment of electricity provisioning to all Municipal Wards	Local Economic Development	Investigate and implement green energy programmes in relation to energy saving projects such as solar water geysers and submit quarterly progress reports to Portfolio Committee	No of progress reports submitted to portfolio committee by 30 June 2017	Accumulative	Number	R 20 510	4	4	4	4	4
community services	Improve health and life expectancy	Basic Service Delivery	Ensure the effectiveness of waste management services in all areas and the provision of recycling facilities at appropriate locations)	Healthcare for all	Ensure the effectiveness of waste management services in all areas and the provision of recycling facilities at appropriate locations)	Basic Service Delivery and Infrastructure Development	Raise awareness on recycling through 4 sessions with the community by 30 June 2017	Number of sessions held by 30 June 2017	Accumulative	Number	R 2 200 000	4	4	4	4	4

Directorate [R]	National Outcome [R]	National KPA [R]	Pre-determined Objective [R]	NDP Objective [R]	STRATEGIC Objective [R]	Municipal KPA [R]	KPI	Unit of measurement	KPI Calculation Type [R]	KPI Target Type [R]	ANNUAL BUDGET	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
community services	Improve health and life expectancy	Basic Service Delivery	Ensure the effectiveness of waste management services in all areas and the provision of recycling facilities at appropriate locations)	Healthcare for all	Ensure the effectiveness of waste management services in all areas and the provision of recycling facilities at appropriate locations)	Basic Service Delivery and Infrastructure Development	Review the Integrated Waste Management Plan (to include recycling and buy-back centres) and submit to council by 30 June 2017	Integrated Waste Management Plan (to include recycling and buy-back centres) reviewed and submitted to council by 30 June 2017	Stand-Alone	Number	R 2 200 000	1	1	1	1	1
Engineering Services	An effective, competitive and responsive economic infrastructure network	Basic Service Delivery	To ensure the provision and maintenance of municipal roads, sidewalks and causeways	Economy and Development	To ensure the provision and maintenance of municipal roads, sidewalks and causeways	Basic Service Delivery and Infrastructure Development	Construct 8.7kms of new roads as per planned projects by 30 June 2017	Kilometer of roads constructed by 30 June 2017	Accumulative	Number	R 28 212 050	8.7	8.7	8.7	8.7	8.7
Engineering Services	An effective, competitive and responsive economic infrastructure network	Basic Service Delivery	To ensure the provision and maintenance of municipal roads, sidewalks and causeways	Economy and Development	To ensure the provision and maintenance of municipal roads, sidewalks and causeways	Basic Service Delivery and Infrastructure Development	Reseal 2km of surfaced roads by 30 June 2017	km of roads ressealed by 30 June 2017	Accumulative	Number	R 4 500 000	2	2	2	2	2
Engineering Services	An effective, competitive and responsive economic infrastructure network	Basic Service Delivery	To ensure the provision and maintenance of municipal roads, sidewalks and causeways	Economy and Development	To ensure the provision and maintenance of municipal roads, sidewalks and causeways	Basic Service Delivery and Infrastructure Development	Grade 3400km of rural access roads by 30 June 2017	Km of rural roads graded by 30 June 2017	Accumulative	Number	R 10 463 930	3400	3400	3400	3400	3400
Planning & Development	Sustainable human settlements and improved quality of household life	Basic Service Delivery	To plan and support the acceleration of sustainable human settlements	Transforming Human Settlements	To plan and support the acceleration of sustainable human settlements	Basic Service Delivery and Infrastructure Development	Review Housing Sector Plan and submit to Council by 30 June 2017	Housing Sector Plan reviewed and submitted to council by 30 June 2017	Carry Over	Number	R 4 880	1	1	1	1	1
ALL	Sustainable human settlements and improved quality of household life	Basic Service Delivery	Facilitate the Implementation of Operation Sukuma Sakhe (Flagship Programme	Healthcare for all	Facilitate the Implementation of Operation Sukuma Sakhe (Flagship Programme	Basic Service Delivery and Infrastructure Development	Submit quarterly consolidated reports to EXCO on mentorship assistance provided to all War Rooms in uMlalazi Municipality in terms of Operation Sukuma Sakhe programme	Number of reports submitted to EXCO by 30 June 2017	Accumulative	Number	R 200 000	4	4	4	4	4

Directorate [R]	National Outcome [R]	National KPA [R]	Pre-determined Objective [R]	NDP Objective [R]	STRATEGIC Objective [R]	Municipal KPA [R]	KPI	Unit of measurement	KPI Calculation Type [R]	KPI Target Type [R]	ANNUAL BUDGET	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
community services	A development-orientated public service and inclusive citizenship	Basic Service Delivery	To facilitate adequate provisioning and management of community facilities under the ownership of uMlalazi Municipality at appropriate locations	Economy and Development	To facilitate adequate provisioning and management of community facilities under the ownership of uMlalazi Municipality at appropriate locations	Basic Service Delivery and Infrastructure Development	Appoint caretakers 26 caretakers by 31 March 2016 for the maintenance of rural community facilities	Number of caretakers appointed by 31 March 2017	Accumulative	Number	R 100 000	26	26	26	26	26
Planning & Development	Decent employment through inclusive economic growth	Local Economic Development	Formalise trading areas in the Municipality area	Building Safer Communities	Formalise trading areas in the Municipality area	Basic Service Delivery and Infrastructure Development	Provide 15 commuter and trading shelters in KDS by 31 March 2017	Number of shelters provided by 30 June 2017	Stand-Alone	Percentage	R 500 000	15	0	0	0	0
Planning & Development		Local Economic Development		Building Safer Communities	Formalise trading areas in the Municipality area	Basic Service Delivery and Infrastructure Development	Provide 4 food safety training sessions to informal food traders by 30 June 2016	Number of food safety training sessions provided by 30 June 2017.	Accumulative	Number	R 4 880	4	4	4	4	4
Engineering Services	An effective, competitive and responsive economic infrastructure network	Basic Service Delivery	Ensure quality control of infrastructure projects	Building Safer Communities	Ensure quality control of infrastructure projects	Basic Service Delivery and Infrastructure Development	Undertake at least 100 site visits to Capital Projects by 30 June 2017	Number of site visits to Capital Projects undertaken by 30 June 2017	Accumulative	Number	R 50 000	100	100	100	100	100
Protection Services	All people in south Africa protected and feel safe	Basic Service Delivery	Mitigate the effectiveness of disasters	Building Safer Communities	Mitigate the effectiveness of disasters	Basic Service Delivery and Infrastructure Development	Hold quarterly meetings with applicable stakeholders to discuss disaster management issues	Number of meetings held by 30 June 2017	Accumulative	Number	R 650 000	4	4	4	4	4
Protection Services	All people in south Africa protected and feel safe	Basic Service Delivery	Mitigate the effectiveness of disasters	Building Safer Communities	Mitigate the effectiveness of disasters	Basic Service Delivery and Infrastructure Development	Execute 2 emergency exercises by 30 June 2017	Number of exercises executed by 30 June 2017	Accumulative	Number	R 4 880	2	2	2	2	2
Community Services	A responsive and accountable, effective and efficient local government system	Basic Service Delivery	Provide for the cemetery needs in the Municipal area	Inclusive Rural Economy	Provide for the cemetery needs in the Municipal area	Basic Service Delivery and Infrastructure Development	Develop a cemetery plan for the next five years to accommodate future cemetery needs and submit to EXCO by 31 March 2017	Cemetery plan developed and submitted to EXCO by 31 March 2017	Accumulative	Number	R 450 000	1	0	0	0	0

Directorate [R]	National Outcome [R]	National KPA [R]	Pre-determined Objective [R]	NDP Objective [R]	STRATEGIC Objective [R]	Municipal KPA [R]	KPI	Unit of measurement	KPI Calculation Type [R]	KPI Target Type [R]	ANNUAL BUDGET	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Community Services	Improve health and life expectancy	Basic Service Delivery	Contribute towards the development of Sports in the Municipal area	Economy and Development	Contribute towards the development of Sports in the Municipal area	Basic Service Delivery and Infrastructure Development	Develop a plan for sports development for the next five years and submit to EXCO by 31 March 2017	Sports development plan completed and submitted to EXCO by 31 March 2017.	Accumulative	Number	R 1 000 000	1	0	0	0	0
Protection Services	All people in south Africa protected and feel safe	Basic Service Delivery	Contribute towards the prevention of Crime	Building Safer Communities	Contribute towards the prevention of Crime	Basic Service Delivery and Infrastructure Development	Report quarterly to the Portfolio Committee on crime prevention strategies implemented in partnership with the relevant stakeholders	No of reports submitted to Portfolio Committee by 30 June 2017 on crime prevention strategies implemented	Accumulative	Number	R 4 880	4	4	4	4	4
Community Services	Improve the quality of basic education	Basic Service Delivery	Facilitate early childhood development	Improving Education, training and innovation	Facilitate early childhood development	Basic Service Delivery and Infrastructure Development	Visit all creches in 26 Wards by 30 June 2017 to monitor the healthiness of the environment for childhood development	Creches in 26 Wards visited by 30 June 2017	Accumulative	Number	R 308 000	26	26	26	26	26
Planning & Development	Decent employment through inclusive economic growth	Local Economic Development	Local Economic Development	Economy and Development	Local Economic Development	Local Economic Development	Assist 5 Tourism BEE entrepreneurs with starting growing businesses e.g. Research, business plans and skills development by 30 June 2017.	Number of Tourism BEE entrepreneurs assisted by 30 June 2017	Accumulative	Number	R 600 000	5	5	5	5	5
Planning & Development	Decent employment through inclusive economic growth	Local Economic Development	Local Economic Development	Economy and Development	Local Economic Development	Local Economic Development	Carry out 5 workshops to promote skills development and support the Tourism SMME business sector by 30 June 2017.	Number of Workshops hosted by 30 June 2017	Accumulative	Number	R 600 000	5	5	5	5	5
Planning & Development	Decent employment through inclusive economic growth	Local Economic Development	Local Economic Development	Economy and Development	Local Economic Development	Local Economic Development	Carry out 4 tourism promotional activities in the print and other media by 30 June 2017.	Number of activities by 30 June 2017.	Accumulative	Number	R 600 000	4	4	4	4	4

Directorate [R]	National Outcome [R]	National KPA [R]	Pre-determined Objective [R]	NDP Objective [R]	STRATEGIC Objective [R]	Municipal KPA [R]	KPI	Unit of measurement	KPI Calculation Type [R]	KPI Target Type [R]	ANNUAL BUDGET	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Planning & Development	Decent employment through inclusive economic growth	Local Economic Development	Local Economic Development	Economy and Development	Local Economic Development	Local Economic Development	Assist 10 youth BEE entrepreneurs with starting growing businesses e.g. Research, business plans and skills development by 30 June 2017.	Number of youth entrepreneurs assisted by 30 June 2017	Accumulative	Number	R 600 000	10	10	10	10	10
Planning & Development	Decent employment through inclusive economic growth	Local Economic Development	To ensure that businesses within uMlalazi Municipality are licensed through the LED department	Economy and Development	To ensure that businesses within uMlalazi Municipality are licensed through the LED department	Local Economic Development	Develop a database of businesses licenced in uMlalazi Municipality and submit quarterly reports to Portfolio Committee	Database of licenced businesses developed and submitted quarterly to Portfolio Committee	Accumulative	Number	R 4 880	4	4	4	4	4
Community Services	Decent employment through inclusive economic growth	Local Economic Development	To contribute towards the reduction of unemployment	Economy and Development	To contribute towards the reduction of unemployment	Local Economic Development	Number of temporary job opportunities created through EPWP projects and other operational projects by 30 June 2017	Number of temporary jobs opportunities created and maintained by 30 June 2017	Accumulative	Number	R 2 924 000	1650	1650	1650	1650	1650
Finance	A responsive and accountable, effective and efficient local government system	Municipal Financial Viability and Management	Advance and maintain the financial viability of the Municipality	Developing a capable and Development State	Advance and maintain the financial viability of the Municipality	Municipal Financial Viability and Management	Achieve a debtors payment percentage of 95% at 30 June 2017 (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off / Billed Revenue x 100)	Payment % achieved at 30 June 2017	Stand-Alone	Percentage	R 157 010	95	95	95	95	95
Finance	A responsive and accountable, effective and efficient local government system	Municipal Financial Viability and Management	Advance and maintain the financial viability of the Municipality	Developing a capable and Development State	Advance and maintain the financial viability of the Municipality	Municipal Financial Viability and Management	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2017 ((Available cash+ investments)/ Monthly fixed operating expenditure)	Ratio achieved as at 30 June 2017 (Available cash+ investments)/ Monthly fixed operating expenditure)	Last Value	Number	R 157 010	3.00	3.00	3.00	3.00	3.00

Directorate [R]	National Outcome [R]	National KPA [R]	Pre-determined Objective [R]	NDP Objective [R]	STRATEGIC Objective [R]	Municipal KPA [R]	KPI	Unit of measurement	KPI Calculation Type [R]	KPI Target Type [R]	ANNUAL BUDGET	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Engineering Services	An effective, competitive and responsive economic infrastructure network	Municipal Financial Viability and Management	Improve the financial performance of the municipality	Developing a capable and Development State	Improve the financial performance of the municipality	Municipal Financial Viability and Management	Limit unaccounted for electricity to less than 8% by 30 June 2017 (Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated × 100	% unaccounted electricity at 30 June 2017 ((Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated) × 100	Accumulative	Number	R 78 500	8	8	8	8	8
All	A responsive and accountable, effective and efficient local government system	Municipal Financial Viability and Management	Optimise budget implementation in the municipality	Developing a capable and Development State	Optimise budget implementation in the municipality	Municipal Financial Viability and Management	Spend at least 90% of the Capital budget amount by 30 June 2017 (Actual expenditure/Approved capital budget)	Percentage of capital budget spent on capital projects by 30 June 2017	Accumulative	Percentage	R 715 740	90	90	90	90	90
Office of the MM	A responsive and accountable, effective and efficient local government system	Good Governance and Public Participation	Effective Municipal Oversight	Developing a capable and Development State	Effective Municipal Oversight	Good Governance and Public Participation	Review Top Layer SDBIP and submit to Council by 24 February 2017	Top Layer SDBIP reviewed and submitted to Council by 24 February 2017	Stand-Alone	Number	R 4 880	1	1	1	1	1
Office of the MM	A responsive and accountable, effective and efficient local government system	Good Governance and Public Participation	Effective Municipal Oversight	Developing a capable and Development State	Effective Municipal Oversight	Good Governance and Public Participation	Submit Quarterly reports on the actual performance achieved against the Top layer SDBIP targets to Council	Number of reports submitted to Council by 30 June 2017	Accumulative	Number	R 4 880	4	4	4	4	4
Office of the MM	A responsive and accountable, effective and efficient local government system	Good Governance and Public Participation	Effective Municipal Oversight	Developing a capable and Development State	Effective Municipal Oversight	Good Governance and Public Participation	Submit the annual performance report to AG by 31 August 2016	Annual performance report submitted to Auditor General by 31 August 2016	Stand-Alone	Number	R 19 280	1	1	1	1	1
Office of the MM	A responsive and accountable, effective and efficient local government system	Good Governance and Public Participation	Effective Municipal Oversight	Developing a capable and Development State	Effective Municipal Oversight	Good Governance and Public Participation	Submit the annual financial statements by 31 August 2016 to the Office of the Auditor-General	Financial statements submitted by 31 August 2016 to the Office of the Auditor-General	Stand-Alone	Number	R 19 280	1	1	1	1	1
Office of the MM	A responsive and accountable, effective and efficient local government system	Good Governance and Public Participation	Effective Municipal Oversight	Developing a capable and Development State	Effective Municipal Oversight	Good Governance and Public Participation	Submit Oversight Report of annual report to council by 31 March 2017	oversight report submitted to Council by 31 March 2017	Stand-Alone	Number	R 4 880	1	1	1	1	1

Directorate [R]	National Outcome [R]	National KPA [R]	Pre-determined Objective [R]	NDP Objective [R]	STRATEGIC Objective [R]	Municipal KPA [R]	KPI	Unit of measurement	KPI Calculation Type [R]	KPI Target Type [R]	ANNUAL BUDGET	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Office of the MM	A responsive and accountable, effective and efficient local government system	Good Governance and Public Participation	To effectively Implement the Back to Basics programme	Developing a capable and Development State	To effectively Implement the Back to Basics programme	Good Governance and Public Participation	Submit quarterly reports to exco on the implementation of Back to Basics programme	Number of reports submitted to EXCO by 30 June 2017	Accumulative	Number	R 4 880	1	1	1	1	1
Office of the MM	A responsive and accountable, effective and efficient local government system	Good Governance and Public Participation	To Obtain Clean Audit	Developing a capable and Development State	To Obtain Clean Audit	Good Governance and Public Participation	Submit reports to EXCO on the measures taken to ensure that matters raised in the 2015/16 Audit have been resolved in order to ensure that the Municipality receives / maintains a Clean Audit in 2016/2017	Number of reports submitted to the Executive Committee by 31 March 2017	Accumulative	Number	R 4 880	1	1	1	1	1
Office of the MM	Improve health and life expectancy	Good Governance and Public Participation	Mitigate the Impact of HIV/Aids in the Municipality area	Developing a capable and Development State	Mitigate the Impact of HIV/Aids in the Municipality area	Good Governance and Public Participation	Coordinate quarterly meetings of the uMlalazi Aids Council	Number of uMlalazi Aids Council meetings held by 30 June 2017	Accumulative	Number	R 450 000	4	4	4	4	4
Office of the MM	Improve health and life expectancy	Good Governance and Public Participation	Mitigate the Impact of HIV/Aids in the Municipality area	Developing a capable and Development State	Mitigate the Impact of HIV/Aids in the Municipality area	Good Governance and Public Participation	Review HIV/Aids Plan and submit to exco by 30 June 2017	HIV/Aids Plan reviewed and submitted to exco by 30 June 2017	Stand-Alone	Number	R 450 000	1	1	1	1	1
Office of the MM	A responsive and accountable, effective and efficient local government system	Good Governance and Public Participation	To reduce Risk to the Organisation	Developing a capable and Development State	To reduce Risk to the Organisation	Good Governance and Public Participation	Review Enterprise Risk Plan and submit to exco by 30 June 2017	Enterprise Risk Plan reviewed and submitted to exco by 30 June 2017	Stand-Alone	Number	R 19 280	1	1	1	1	1
Office of the MM	A responsive and accountable, effective and efficient local government system	Good Governance and Public Participation	To reduce Risk to the Organisation	Developing a capable and Development State	To reduce Risk to the Organisation	Good Governance and Public Participation	Review Fraud Risk Plan and submit to exco by 30 June 2017	Fraud Risk Plan reviewed and submitted to exco by 30 June 2017	Stand-Alone	Number	R 19 280	1	1	1	1	1
Office of the MM	A responsive and accountable, effective and efficient local government system	Good Governance and Public Participation	Ensure that public participation structures are established, capacitated and functional	Developing a capable and Development State	Ensure that public participation structures are established, capacitated and functional	Good Governance and Public Participation	Hold meetings with stakeholders and ward committee to communicate the IDP process plan	Number of meetings held by 30 September 2016	Accumulative	Number	R 300 000	26	26	26	26	26

Overview of alignment of annual budget with Integrated Development Plan
6.1 Hereunder follows the implementation plan

Directorate [R]	National Outcome [R]	National KPA [R]	Pre-determined Objective [R]	NDP Objective [R]	STRATEGIC Objective [R]	Municipal KPA [R]	KPI	Unit of measurement	KPI Calculation Type [R]	KPI Target Type [R]	ANNUAL BUDGET	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Office of the MM	A responsive and accountable, effective and efficient local government system	Good Governance and Public Participation	Ensure that public participation structures are established, capacitated and functional	Developing a capable and Development State	Ensure that public participation structures are established, capacitated and functional	Good Governance and Public Participation	Submit quarterly reports to EXCO on the functionality of all Ward Committees (include training and development)	No of reports submitted to EXCO by 30 June 2017	Accumulative	Number	R 1 000 000	4	4	4	4	4
Office of the MM	A responsive and accountable, effective and efficient local government system	Good Governance and Public Participation	To promote International & National Relations	Developing a capable and Development State	To promote International & National Relations	Good Governance and Public Participation	Submit a report to MCOR by 30 June 2017 on the progress made with the Twinning partnership with Songdal Municipality (Norway)	Reports submitted to MCOR by 30 June 2017	Accumulative	Number	0	1	1	1	1	1
Planning & development	A responsive and accountable, effective and efficient local government system	Basic Service Delivery	To promote integrated development planning	Developing a capable and Development State	To promote integrated development planning	Cross Cutting Issues	Review uMlalazi Municipality IDP for 2017/2018 and submit to Council by 30 June 2017	uMlalazi Municipality IDP for 2017/2018 reviewed and submitted to Council by 30 June 2017	Stand-Alone	Number	R 300 000	1	1	1	1	1

6.2 Breakdown of Operating Expenditure and Capital Expenditure aligned to the IDP

6.2.1 Operating Expenditure

Details	2016/2017 (R)	2017/2018 (R)	2018/2019 (R)
Care taking: rural buildings	100 000	150 000	200 000
Youth development	618 000	700 000	700 000
Early childhood development	308 000	338 800	372 680
Local economic development (LED)	600 000	700 000	800 000
Poverty alleviation	2 200 000	2 200 000	2 200 000
Rural fire prevention	200 000	200 000	200 000
Sports development	1 000 000	1 000 000	1 000 000
Special programmes	450 000	450 000	450 000
Operation Sukuma Sakhe	200 000	200 000	200 000
Local Aids Council	450 000	450 000	450 000
Work creation projects	1 300 000	1 300 000	1 300 000
Rural grounds maintenance	300 000	300 000	300 000
Rural roads: Grader programme	10 463 930	9 987 130	10 536 490

6.2.2 Capital Expenditure

Hereunder follows a breakdown of the capital expenditure aligned to the goals and action plans of the IDP:

Municipal Infrastructure Grant Projects for the next three budget years are as follows:

DESCRIPTION	Ward	2016/2017	2017/2018	2018/2019
HALLS AND OFFICES				
Sqwanjana Hall	13	3 500 000	-	-
Mabedle Hall	16	-	1 500 000	-
Emandawe Hall	10	-	1 500 000	-
Mahhudlu Hall	13	-	-	1 500 000
Bongela Hall	1	-	-	1 700 000
SPORTS FIELDS				
Kwabulawayo sports field	24	8 400 000	-	-
Mvutshini sports field	16	-	2 000 000	-
Nkume sports field	10	-	1 500 000	-
Emfenyane sports field	14	-	2 109 820	-
Sklebheni sports field	23	-	1 500 000	-
Machanca Sports field	8	-	-	1 800 000
Veleshowe Sports field	19	-	-	1 700 000
Mandlovu Sports field	24	-	-	1 700 000
Entshiithi Sports field	22	-	-	2 000 000
ROADS AND CAUSEWAYS				
KDS Bus Route	12	10 490 210	-	-
Bele Road	24	4 300 000	-	-
Mtipela Road	3	1 721 840	-	-
Kangela Road	11	8 200 000	-	-
Hlungwini Causeway	5	-	1 500 000	3 135 590
Etsheni Road	19	-	2 057 000	-
Eshowe Bus Rank Link road	11	-	7 587 370	16 723 540
Emandawe Road	10	-	1 000 000	-
Ezingwenya Road	15	-	1 500 000	-
Eyetheni Road	21	-	2 015 190	2 864 410
Mbangayi Road	14	-	1 621 160	-
Mfofolozi Causeway	1	-	5 492 760	-

Emtilombo Causeway	10	-	1 700 000	-
Mbabha Causeway	2	-	1 500 000	-
Qhika Road	24	-	1 956 950	-
Gingindlovu Stormwater	18	-	2 000 000	2 000 000
Vekeza Road	17	-	1 000 000	-
Yimba Pedestrian Bridge	19	-	-	3 085 150
Enembe Road	6	-	-	3 358 110
Sub total		36 612 050	39 230 250	41 366 800
PMU ADMIN COSTS		1 926 950	2 064 750	2 177 200
TOTAL		38 539 000	41 295 000	43 544 000

7. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS
7.1 Hereunder follows the key financial indicators dealing with borrowing management, safety of capital, revenue and creditor management

Description of financial indicator	Basis of calculation	2012/13	2013/14	2014/15	Current Year 2015/2016				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Borrowing Management											
Credit Rating	Interest & Principal Paid /Operating Expenditure	0.6%	0.4%	0.3%	0.3%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%
Capital Charges to Operating Expenditure	Finance charges & Repayment of borrowing /Own Revenue	1.0%	0.8%	0.7%	0.7%	0.5%	0.5%	0.5%	0.5%	0.5%	0.4%
Capital Charges to Own Revenue	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure											
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	42.4%	44.4%	39.5%	34.8%	34.7%	34.7%	34.7%	30.4%	26.4%	22.6%
Liquidity											
Current Ratio	Current assets/current liabilities	1.9	2.4	2.4	2.0	2.2	2.2	2.2	2.0	1.7	1.6
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.9	2.4	2.4	2.0	2.2	2.2	2.2	2.0	1.7	1.6
Liquidity Ratio	Monetary Assets/Current Liabilities	1.3	1.6	1.8	1.2	1.8	1.8	1.8	1.5	1.3	1.2
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		100.0%	100.0%	100.0%	89.1%	88.2%	88.2%	88.2%	89.1%	89.1%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		100.0%	100.0%	100.0%	89.1%	88.2%	88.2%	88.2%	89.2%	89.1%	89.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	14.8%	15.6%	10.0%	11.1%	6.0%	6.0%	6.0%	6.2%	5.5%	4.5%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		41.6%	30.3%	30.8%	50.8%	32.9%	32.9%	32.9%	35.2%	41.7%	48.8%
Other Indicators											
	Total Volume Losses (kW)	888000	5206880	5694007	4824057	4824057	4824057	4824057	5124606	4868375	4624957
	Total Cost of Losses (Rand '000)	7 055	6 090	8 541	5 258	5 258	5 258	5 258	7 687	7 303	6 937
	% Volume (units purchased and generated less units sold)/units purchased and generated										
	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)											
Employee costs	Employee costs/(Total Revenue - capital revenue)	28.2%	27.0%	24.3%	30.9%	23.7%	23.7%	23.7%	32.2%	33.5%	33.3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	34.8%	33.2%	30.2%	37.1%	29.1%	29.1%		38.3%	39.9%	39.7%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	5.2%	6.8%	6.7%	6.8%	6.6%	6.6%		7.4%	7.2%	7.2%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	4.6%	12.1%	13.4%	10.2%	11.5%	11.5%	11.5%	12.4%	12.8%	12.8%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	29.8	27.2	31.9	24.5	24.5	24.5	25.1	23.5	23.1	24.6
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	30.1%	34.3%	25.0%	26.6%	15.4%	15.4%	15.4%	14.8%	12.5%	10.1%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	4.9	5.0	4.7	2.7	4.4	4.4	4.4	2.9	2.4	1.9

7.2 Hereunder follows the Financial indicators for Revenue by source and Expenditure by type

2 Hereunder follows the Financial indicators for Revenue by Source and Expenditure by type																
Description	Ref	Budget Year 2016/2017												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand																
Revenue By Source																
Property rates		4 041	4 041	4 041	4 041	4 041	4 041	4 041	4 041	4 041	4 041	4 041	4 041	48 498	50 302	53 341
Property rates - penalties & collection charges		184	184	184	184	184	184	184	184	184	184	184	189	2 217	2 354	2 493
Service charges - electricity revenue		4 958	4 958	4 958	4 958	4 958	4 958	4 958	4 958	4 958	4 958	4 958	4 958	59 499	64 249	69 049
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		986	986	986	986	986	986	986	986	986	986	986	986	11 836	12 523	13 192
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		104	104	104	104	104	104	104	104	104	104	104	106	1 253	1 331	1 410
Interest earned - external investments		497	497	497	497	497	497	497	497	497	497	497	580	6 047	6 422	6 801
Interest earned - outstanding debtors		33	33	33	33	33	33	33	33	33	33	33	34	397	422	447
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 301	27 048	28 724	30 419
Licences and permits		296	296	296	296	296	296	296	296	296	296	296	303	3 562	3 783	4 006
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational		12 592	12 592	12 592	12 592	12 592	12 592	12 592	12 592	12 592	12 592	12 592	11 748	150 264	152 599	160 339
Other revenue		263	263	263	263	263	263	263	263	263	263	263	4 005	6 901	3 579	3 815
Gains on disposal of PPE		11	11	11	11	11	11	11	11	11	11	11	11	130	140	150
Total Revenue (excluding capital transfers and contributions)		26 217	26 217	26 217	26 217	26 217	26 217	26 217	26 217	26 217	26 217	26 217	29 262	317 651	326 427	345 463
Expenditure By Type																
Employee related costs		8 521	8 521	8 521	8 521	8 521	8 521	8 521	8 521	8 521	8 521	8 521	8 522	102 252	109 397	114 982
Remuneration of councillors		1 611	1 611	1 611	1 611	1 611	1 611	1 611	1 611	1 611	1 611	1 611	1 611	19 335	20 688	22 136
Debt impairment		2 034	2 034	2 034	2 034	2 034	2 034	2 034	2 034	2 034	2 034	2 034	2 080	24 456	25 972	27 505
Depreciation & asset impairment		3 238	3 238	3 238	3 238	3 238	3 238	3 238	3 238	3 238	3 238	3 238	3 307	38 925	41 308	43 716
Finance charges		45	45	45	45	45	45	45	45	45	45	45	45	541	498	456
Bulk purchases		4 026	4 026	4 026	4 026	4 026	4 026	4 026	4 026	4 026	4 026	4 026	4 652	48 940	53 541	56 574
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		2 576	2 576	2 576	2 576	2 576	2 576	2 576	2 576	2 576	2 576	2 576	1 584	29 924	28 752	30 256
Transfers and grants		324	324	324	324	324	324	324	324	324	324	324	742	4 302	4 547	4 806
Other expenditure		7 195	7 195	7 195	7 195	7 195	7 195	7 195	7 195	7 195	7 195	7 195	6 954	86 101	85 521	90 653
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		29 571	29 571	29 571	29 571	29 571	29 571	29 571	29 571	29 571	29 571	29 571	29 499	354 776	370 225	391 084
Surplus/(Deficit)																
Transfers recognised - capital		(3 354)	(3 354)	(3 354)	(3 354)	(3 354)	(3 354)	(3 354)	(3 354)	(3 354)	(3 354)	(3 354)	(236)	(37 125)	(43 798)	(45 621)
Contributions recognised - capital		4 826	4 826	4 826	4 826	4 826	4 826	4 826	4 826	4 826	4 826	4 826	5 055	58 137	67 147	68 595
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		1 472	1 472	1 472	1 472	1 472	1 472	1 472	1 472	1 472	1 472	1 472	4 818	21 012	23 349	22 974
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	1 472	1 472	1 472	1 472	1 472	1 472	1 472	1 472	1 472	1 472	1 472	4 818	21 012	23 349	22 974

7.3 Hereunder follows the measurable performance objectives for revenue and operating expenditure by vote

Description	Ref	Budget Year 2016/2017												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand																
Revenue by Vote																
Vote 1 - EXECUTIVE AND COUNCIL		18 109	18 109	18 109	18 109	18 109	18 109	18 109	18 109	18 109	18 109	18 109	21 200	220 400	231 429	241 051
Vote 2 - BUDGET AND TREASURY OFFICE		447	447	447	447	447	447	447	447	447	447	447	(317)	4 605	4 881	5 388
Vote 3 - CORPORATE SERVICES		41	41	41	41	41	41	41	41	41	41	41	41	487	561	635
Vote 4 - PLANNING AND DEVELOPMENT		404	404	404	404	404	404	404	404	404	404	404	405	4 851	2 065	2 177
Vote 5 - HEALTH		258	258	258	258	258	258	258	258	258	258	258	258	3 100	3 100	3 100
Vote 6 - COMMUNITY AND SOCIAL SERVICES		353	353	353	353	353	353	353	353	353	353	353	738	4 622	4 827	5 078
Vote 7 - HOUSING		15	15	15	15	15	15	15	15	15	15	15	15	178	189	200
Vote 8 - PUBLIC SAFETY		2 360	2 360	2 360	2 360	2 360	2 360	2 360	2 360	2 360	2 360	2 360	2 411	28 371	30 129	31 858
Vote 9 - SPORTS AND RECREATION		249	249	249	249	249	249	249	249	249	249	249	251	2 987	3 069	3 152
Vote 10 - WASTE MANAGEMENT		1 305	1 305	1 305	1 305	1 305	1 305	1 305	1 305	1 305	1 305	1 305	1 305	15 662	16 629	17 595
Vote 11 - ROAD TRANSPORT		1 163	1 163	1 163	1 163	1 163	1 163	1 163	1 163	1 163	1 163	1 163	1 169	13 957	13 697	14 465
Vote 12 - ELECTRICITY		6 339	6 339	6 339	6 339	6 339	6 339	6 339	6 339	6 339	6 339	6 339	6 840	76 568	83 000	89 359
Vote 13 - AIR TRANSPORT													-	-	-	-
Vote 14 - WORKSHOP													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Total Revenue by Vote		31 043	31 043	31 043	31 043	31 043	31 043	31 043	31 043	31 043	31 043	31 043	34 317	375 788	393 574	414 057
Expenditure by Vote to be appropriated																
Vote 1 - EXECUTIVE AND COUNCIL		9 295	9 295	9 295	9 295	9 295	9 295	9 295	9 295	9 295	9 295	9 295	9 470	111 711	118 555	124 236
Vote 2 - BUDGET AND TREASURY OFFICE		1 696	1 696	1 696	1 696	1 696	1 696	1 696	1 696	1 696	1 696	1 696	701	19 352	17 749	18 694
Vote 3 - CORPORATE SERVICES		1 093	1 093	1 093	1 093	1 093	1 093	1 093	1 093	1 093	1 093	1 093	1 107	13 124	13 931	14 720
Vote 4 - PLANNING AND DEVELOPMENT		553	553	553	553	553	553	553	553	553	553	553	556	6 641	3 977	4 169
Vote 5 - HEALTH		689	689	689	689	689	689	689	689	689	689	689	690	8 269	8 627	8 909
Vote 6 - COMMUNITY AND SOCIAL SERVICES		646	646	646	646	646	646	646	646	646	646	646	1 066	8 176	7 963	8 390
Vote 7 - HOUSING		11	11	11	11	11	11	11	11	11	11	11	11	133	145	157
Vote 8 - PUBLIC SAFETY		4 376	4 376	4 376	4 376	4 376	4 376	4 376	4 376	4 376	4 376	4 376	4 222	52 356	55 502	58 414
Vote 9 - SPORTS AND RECREATION		1 176	1 176	1 176	1 176	1 176	1 176	1 176	1 176	1 176	1 176	1 176	1 095	14 028	14 846	15 514
Vote 10 - WASTE MANAGEMENT		1 669	1 669	1 669	1 669	1 669	1 669	1 669	1 669	1 669	1 669	1 669	1 675	20 030	21 321	22 678
Vote 11 - ROAD TRANSPORT		1 998	1 998	1 998	1 998	1 998	1 998	1 998	1 998	1 998	1 998	1 998	2 005	23 983	24 354	25 498
Vote 12 - ELECTRICITY		6 298	6 298	6 298	6 298	6 298	6 298	6 298	6 298	6 298	6 298	6 298	6 945	76 225	82 456	88 849
Vote 13 - AIR TRANSPORT		1	1	1	1	1	1	1	1	1	1	1	1	14	15	16
Vote 14 - WORKSHOP		71	71	71	71	71	71	71	71	71	71	71	(45)	735	786	840
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Total Expenditure by Vote		29 571	29 571	29 571	29 571	29 571	29 571	29 571	29 571	29 571	29 571	29 571	29 499	354 776	370 225	391 084
Surplus/(Deficit) before assoc.		1 472	1 472	1 472	1 472	1 472	1 472	1 472	1 472	1 472	1 472	1 472	4 818	21 012	23 349	22 974
Surplus/(Deficit)	1	1 472	1 472	1 472	1 472	1 472	1 472	1 472	1 472	1 472	1 472	1 472	4 818	21 012	23 349	22 974

7.4 Hereunder follow the measurable performance objectives for capital by vote

Description	Ref	Budget Year 2016/2017												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 1 - EXECUTIVE AND COUNCIL					450	1 330	104			790	550		–	3 224	1 688	2 620
Vote 2 - BUDGET AND TREASURY OFFICE				20	10	141	80		540	550	20		20	1 381	235	280
Vote 3 - CORPORATE SERVICES		700	700	920	750	2 765	542		20	435	20		200	7 052	7 078	13 431
Vote 4 - PLANNING AND DEVELOPMENT					25								–	25	30	35
Vote 5 - HEALTH									40				1 500	1 540	50	20
Vote 6 - COMMUNITY AND SOCIAL SERVICES						305	50			325	505		–	1 185	700	305
Vote 7 - HOUSING													–	–	–	–
Vote 8 - PUBLIC SAFETY						200	80			100	60		–	440	4 540	115
Vote 9 - SPORTS AND RECREATION		1 200	1 200	1 200	1 750	1 920	1 650	1 200		250			–	10 370	11 560	7 450
Vote 10 - WASTE MANAGEMENT					50	1 290	1 050	1 000					–	4 940	1 150	250
Vote 11 - ROAD TRANSPORT		3 818	3 818	2 957	3 292	4 532	4 106	924	3 399	6 474	4 874	4 299	3 069	45 562	45 651	49 839
Vote 12 - ELECTRICITY				20	50	720	20				750		–	1 560	1 065	1 050
Vote 13 - AIR TRANSPORT													–	–	–	–
Vote 14 - WORKSHOP					9								–	9	–	–
Vote 15 - [NAME OF VOTE 15]													–	–	–	–
Capital multi-year expenditure sub-total	2	5 718	5 718	5 117	6 386	13 203	7 681	3 124	5 549	8 924	6 779	4 299	4 789	77 287	73 747	75 395
Total Capital Expenditure	2	5 718	5 718	5 117	6 386	13 203	7 681	3 124	5 549	8 924	6 779	4 299	4 789	77 287	73 747	75 395

8. OVERVIEW OF BUDGET – RELATED POLICIES

- 8.1 This section gives a broad overview of the budget policy framework and highlights the amended policies to be approved by Council Resolution.

NO	NAME OF POLICY	LAST DATE OF APPROVAL	STATUS
1	Asset Management Policy	28/05/2015 Min. no UMC105/14/15	Reviewed
2	Bad Debt Write Off Policy	28/05/2015 Min. no UMC105/14/15	Reviewed
3	Borrowing Policy	28/05/2013 Min. no UMC 65/12/13	Reviewed
4	Budget Policy	28/05/2015 Min. no UMC105/14/15	Amend
5	Credit Control & Debt Collection Policy	28/05/2015 Min. no UMC105/14/15	Reviewed
6	Funding and Reserve Policy	28/05/2015 Min. no UMC105/14/15	Reviewed
7	Indigent Support Policy	28/05/2015 Min. no UMC105/14/15	Reviewed
8	Investment and Cash Management Policy	28/05/2015 Min. no UMC105/14/15	Reviewed
9	Property Rates Policy	28/05/2015 Min. no UMC105/14/15	Amend
10	Supply Chain Management Policy	28/05/2015 Min. no UMC105/14/15	Reviewed
11	Tariff Policy	28/05/2015 Min. no UMC105/14/15	Reviewed

The above mentioned policies can be reviewed on the Council's official website, and can also be obtained on request from the Council's offices.

8.2 **New policies**

There are no new policies to be approved.

8.3 **The following amendments of the policies are tabled for consideration:**

8.3.1 **Budget Policy**

Section 10: Budget transfers and virements

The following two (2) clauses which reads as follows must be deleted:

- (j) Virements are not allowed to utilise any special purpose operation budgetary allocations approved by Council and which is specifically mentioned and highlighted as such during the approval of the budget.
- (k) Only the Council may consider the virements of these funds mentioned in (j) above and only after motivations were provided for these virements.

8.3.2 **Property Rates Policy**

The following changes must be incorporated to the 2016/2017 rates policy.

Chapter 2

Clause 9 Exemptions and Rebates from Rates

Clause 9.3.1 currently reads

d) Whose total household income is as follows:

- (i) a single person receiving a total income of R6 020,00 per month or less
- (ii) a married couple receiving a joint monthly income of R7 510,00 per month or less.
- (iii) a single person receiving a total income of R6 021.00 and more per month. A married couple receiving a joint monthly income of R7 510.00 and more per month.

To be replaced by

- d) The total income threshold to qualify for pensioner rebate shall be determined by council annually during the annual budget process.

Insert new clause to read as follows:

All rate payers who qualify in terms clause 9.3.1 (d) and are currently receiving this benefit from Council need not to re-apply annually. Council will accept new applications each year before 30 June.

9. OVERVIEW OF BUDGET ASSUMPTIONS

9.1 In January 2010, Cabinet adopted 12 outcomes within which to frame public service delivery priorities and targets. Cabinet ministers have signed performance agreements linked to these outcomes. More detailed delivery agreements have since been developed to extend targets and responsibilities to national and provincial departments, agencies and municipalities.

The municipality is expected to take the 12 outcomes into consideration when reviewing the IDP and developing the annual Budget for the 2016/2017 MTREF. Hereunder follows the 12 outcomes, together with examples of areas where the municipality have a role to play in either contributing directly to the realization of the outcomes or facilitating the work of national and provincial departments in realizing them.

12 Outcomes of Government-role of Local Government

No	Description	Role of Local Government
1	Improve the quality of basic education	<ul style="list-style-type: none"> Facilitate the building of new schools by: <ul style="list-style-type: none"> - Participating in needs assessments - Identifying appropriate land - Facilitating zoning and planning processes Facilitate the eradication of municipal service backlogs in schools by extending appropriate bulk infrastructure and installing connections
2	Improve health and life expectancy	<ul style="list-style-type: none"> Many municipalities perform health functions on behalf of provinces Strengthen effectiveness of health services by specifically enhancing TB treatments and expanding HIV and AIDS prevention and treatments. Municipalities must continue to improve Community Health Service infrastructure by providing clean water, sanitation and waste removal services.
3	All people in South Africa protected and feel safe	<ul style="list-style-type: none"> Facilitate the development of safer communities through better planning and enforcement of municipal by laws. Direct the traffic control function towards policing high risk violations-rather than revenue collection Metro police services should contribute by: <ul style="list-style-type: none"> - Increasing police personnel - Improving collaboration with SAPS - Ensuring rapid response to reported crimes
4	Decent employment through inclusive economic growth	<ul style="list-style-type: none"> Create an enabling environment for investment by streamlining planning application processes. Ensure proper maintenance and rehabilitation of essential services infrastructure. Ensure proper implementation of the EPWP at municipal level Design service delivery processes to be labour intensive Improve procurement systems to eliminate corruption and ensure value for money Utilize community structures to provide services

5	A skilled and capable workforce to support inclusive growth	<ul style="list-style-type: none"> • Develop and extend intern and work experience programmes in municipalities. • Link municipal procurement to skills development initiatives
6	An efficient, competitive and responsive economic infrastructure network	<ul style="list-style-type: none"> • Ring-fence water, electricity and sanitation functions so as to facilitate cost-reflecting pricing of these services • Ensure urban spatial plans provide for commuter rail corridors, as well as other modes of public transport • Maintain and expand water purification works and waste water treatment works in line with growing demand • Cities to prepare to receive the devolved public transport function • Improve maintenance of municipal road networks.
7	Vibrant, equitable and sustainable rural communities and food security	<ul style="list-style-type: none"> • Facilitate the development of local markets for agricultural produce • Improve transport links with urban centres so as to ensure better economic integration • Promote home production to enhance food security • Ensure effective spending of grants for funding extension of access to basic services.
8	Sustainable human settlements and improved quality of household life	<ul style="list-style-type: none"> • Cities must prepare to be accredited for the housing function. • Develop spatial plans to ensure new housing developments are in line with national policy on integrated human settlements • Participate in the identification of suitable land for social housing. • Ensure capital budgets are appropriately prioritized to maintain existing services and extend services.
9	A response and, accountable, effective and efficient local government system	<ul style="list-style-type: none"> • Adopt IDP planning processes appropriate to the capacity and sophistication of the municipality • Implement the community work programme • Ensure ward committees are representative and fully involved in community consultation processes around the IDP, budget and other strategic service delivery issues. • Improve municipal financial and administrative capacity by implementing competency norms and standards and acting against incompetence and corruption.

10	Protection and enhancement of environmental assets and natural resources	<ul style="list-style-type: none"> • Develop and implement water management plans to reduce water losses. • Ensure effective maintenance and rehabilitation of infrastructure • Run water and electricity saving awareness campaigns • Ensure proper management of municipal commonage and urban open spaces • Ensure development does not take place on wetlands.
11	A better South Africa, a better and safer Africa and world	<ul style="list-style-type: none"> • Role of Local Government is fairly limited in this area. Must concentrate on: <ul style="list-style-type: none"> - Ensuring basic infrastructure is in place and properly maintained. - Creating an enabling environment for investment.
12	A development-orientated public service and inclusive citizenship	<ul style="list-style-type: none"> • Continue to develop performance monitoring and management systems. • Comply with legal financial reporting requirements • Review municipal expenditures to eliminate wastage • Ensure councils behave in ways to restore community trust in Local Government.

9.2 The following budget assumptions have a major influence on the annual budget:

- It will take some time for the economic upturn to flow through to increased municipal revenues and better cash flows.
- The revenue stream of the Council will stay under pressure for the next three to four quarters in 2016.
- The increased high cost to move waste from the refuse transfer stations, to the regional refuse site.
- The excessive increases in the tariffs of bulk electricity purchases in the next three budget years, are putting pressure on the Council's draft operating expenditure budget.
- The increases in property rates and other tariffs are likely to be counter productive, resulting in higher levels of non payment and increased bad debts.

10. Overview of Budget funding

10.1 Medium term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Description	2016/2017 Medium Term Revenue & Expenditure Framework					
	Budget Year 2016/2017	%	Budget Year 2017/2018	%	Budget Year 2018/2019	%
Property rates	50 714 380	16	52 655 700	16	55 834 080	16
Service charges	71 334 790	23	76 772 020	23	82 241 180	24
Investment revenue	6 046 860	2	6 421 770	2	6 800 660	2
Transfers recognised-operational	150 263 560	47	152 598 800	47	160 339 490	47
Other own revenue	39 290 960	12	37 978 990	12	40 247 110	11
Total Operating Revenue (excluding capital transfers and contributions)	317 650 550	100	326 427 280	100	345 462 520	100
Total Operating Expenditure	354 775 850		370 224 990		391 083 530	
Surplus/(Deficit)	(37 125 300)		(43 797 710)		(45 621 010)	

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The municipality derives most of its operational revenue from the provision of goods and services such as electricity, and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc)

The revenue strategy is a function of key components such as:

- Growth in the municipality and economic development;
- Revenue management and enhancement;
- Achievement of a **95** per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirement;
- The Property Rates Policy in terms of the Municipal Property Rates Act, (Act 6 of 2004)(MPRA), and
- The ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2016/2017 MTREF on the different revenue categories are:

Revenue category	2016/2017 proposed tariff increase	2017/2018 proposed tariff increase	2018/2019 proposed tariff increase	2016/2017 additional revenue for each 1% tariff increase	2016/2017 additional revenue owing to % tariff increase	2016/2017 Total Budgeted revenue
Property Rates	6%	5.8%	5.8%	507 143	1 173 300	50 714 380
Solid Waste	6%	5.8%	5.8%	118 362	1 004 380	11 836 260
Electricity	7.46%	7.46%	7.46%	594 985	2 585 380	59 498 530
Total				1 220 490	4 763 060	122 049 170

Revenue to be generated from property rates is **R50 714 380** in the 2016/2017 financial year and increase to **R55 834 080** by 2018/2019 which represents **16** per cent of the operating revenue base of the municipality. It remains relatively constant over the medium-term. With the implementation of the Municipal Property Rates Act the basis of rating significantly changed.

Service charges relating to electricity, and refuse removal constitutes the second biggest component of the revenue basket of the municipality totaling **R71 334 790** for the 2016/2017 financial year and increasing to **R82 241 180** by 2018/2019. For the 2016/2017 financial year service charges amount to **23** per cent of the total revenue base and increases by **1** per cent per annum over the medium-term.

Operational grants and subsidies amount to **R150 263 560**, **R152 598 800** and **R160 339 490** for each of the respective financial years of the MTREF, or **47** per cent of operating revenue over the medium term. It needs to be noted that in real terms the grants receipts from national government are the biggest component of the revenue basket.

Investment revenue contributes marginally to the revenue base of the municipality with a budget allocation of **R6 046 860**, **R6 421 770** and **R6 800 660** for the respective three financial years of the 2016/2017 MTREF. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

Non-cash items, such as depreciation, impairment losses and contribution to provisions contributes to the deficit before capital transfers are recognized.

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The MTREF therefore provides for a budgeted deficit of **R37 125 300**, **R43 797 710** and **R45 621 010** in each of the financial years. Non-cash items, such as depreciation, impairment losses and contributions to provisions contributes to the deficit before capital transfers are recognized.

10.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2016/2017 medium-term capital programme:

Vote Description	2016/2017 Medium Term Revenue and Expenditure Framework							
	Budget Year 2015/2016	%	Budget Year 2016/2017	%	Budget Year +1 2017/2018	%	Budget Year +2 2018/2019	%
Funded By:								
National Government	68 096 590	86	53 637 440	70	62 647 200	85	68 5594 510	91
Provincial Government	3 000 000	3	4 500 000	6	4 500 000	7		
Transfers recognized –capital	71 096 590	89	58 137 440	76	67 147 200	92	68 594 510	91
Public contributions & donations.								
Borrowing internally generated funds	8 648 200	11	19 150 000	24	6 600 000	8	6 800 000	9
Total Capital Funding	79 744 790	100	77 287 440	100	73 747 200	100	75 394 510	100

Capital grants and receipts equates to **76%** of the total funding source, which represents **R58 137** million for the 2016/2017 financial year.

The following table is a breakdown of the capital transfers and grants:

Description	2012/13	2013/14	2014/15	2015/16	2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<u>Capital Transfers and Grants</u>							
National Treasury	32 602	37 165	58 806	66 360	53 637	62 647	68 595
Municipal Infrastructure Grant (MIG)	24 986	29 336	37 101	40 090	36 612	339 230	41 367
EPWP grant	–	–		–			
Municipal Finance Management grant	–	–	349	426			
Municipal Systems Improvement	–	–		160			
Equitable Share	7 616	7 829	21 356	25 683	17 025	23 417	27 228
Provincial Government	1 068	–	–	4 736	4 500	4 500	–
Department of Sport and Recreation grant	1 068			891			
Department of Human Settlements grant	–			728			
Cogta: Support to community service centre grant	–			117			
Cogta: Small town rehabilitation grant	–			3 000	4 500	4 500	
Total Capital Transfers and Grants	33 670	37 165	58 806	71 097	58 137	67 147	68 595

10.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councilors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provided for as cash flow based on actual performance. In other words the actual collection rate of billed revenue, and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Budgeted cash flow statement

R thousand	Audited 2012/2013	Audited 2013/2014	Audited 2014/2015	Full Year 2015/2016	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
CASH FLOW FROM OPERATING ACTIVITIES							
Receipts							
Property rates, penalties & collection charges	30 865	33 831	33 816	45 890	48 179	50 023	53 042
Service charges	57 500	61 146	63 115	57 583	60 635	65 256	69 905
Other revenue	33 442	26 390	31 919	13 607	12 052	12 761	13 538
Government - operating	90 698	98 519	120 423	156 563	150 264	152 599	160 339
Government - capital	37 131	34 296	49 118	56 442	58 137	67 147	68 595
Interest	2 491	3 074	4 146	5 694	6 384	6 780	7 180
Dividends					–	–	–
Payments							
Suppliers and employees	(191 017)	(205 520)	(231 991)	(263 986)	(296 194)	(303 401)	(318 901)
Finance charges	(709)	(660)	(618)	(583)	(541)	(498)	(456)
Transfers and Grants	(2 812)	(2 959)	(3 398)	(3 797)	(4 302)	(4 547)	(4 806)
NET CASH FROM/(USED) OPERATING ACTIVITIES	57 589	48 117	66 530	67 413	34 614	46 120	48 437
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds on disposal of PPE	439	254	30	946	130	140	150
Decrease (Increase) in non-current debtors	5	46	(5)	(14)	(18)	(5)	(5)
Decrease (increase) other non-current receivables			–		–	–	–
Decrease (increase) in non-current investments			–		–	–	–
Payments							
Capital assets	(34 806)	(37 165)	(58 806)	(59 809)	(57 966)	(55 310)	(56 546)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(34 362)	(36 865)	(58 781)	(58 877)	(57 854)	(55 175)	(56 401)
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
Short term loans					–	–	–
Borrowing long term/refinancing					–	–	–
Increase (decrease) in consumer deposits	56	111	120	99	105	55	65
Payments							
Repayment of borrowing	(343)	(343)	(343)	(343)	(343)	(343)	(343)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(287)	(232)	(223)	(244)	(238)	(288)	(278)
NET INCREASE/ (DECREASE) IN CASH HELD	22 940	11 020	7 526	8 292	(23 478)	(9 344)	(8 242)
Cash/cash equivalents at the year begin:	37 548	60 488	71 508	79 034	87 326	63 848	54 504
Cash/cash equivalents at the year end:	60 488	71 508	79 034	87 326	63 848	54 504	46 262

The above table shows that cash and cash equivalents of the municipality increases between the 2012/2013 and 2015/2016 financial year, moving from a cash balance of **R60 488 000** to a balance of **R87 326 000** with the 2015/2016 forecast.

Various cost efficiencies and savings had to be realized during this period to ensure the municipality could meet its operational expenditure commitments. For the 2015/2016 MTREF the budget has been prepared to ensure high levels of cash and cash equivalents over the medium-term.

10.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (application > cash and investments) is indicative of non compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyze trends to understand the consequences, eg. The budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Cash backed reserves /accumulated surplus reconciliation

R thousand	Audited 2012/2013	Audited 2013/2014	Audited 2014/2015	Forecast 2015/2016	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<u>Cash and investments available</u>							
Cash/cash equivalents at the year end	60 488	71 508	79 034	87 326	63 848	54 504	46 262
Other current investments > 90 days	–	–	–	–	–	–	–
Non current assets - Investments	1	1	1	1	1	1	1
Cash and investments available:	60 489	71 509	79 035	87 327	63 849	54 505	46 263
<u>Application of cash and investments</u>							
Unspent conditional transfers	14 162	15 502	12 099	14 000	13 500	13 000	10 000
Unspent borrowing	–	–	–	–	–	–	–
Statutory requirements	880	739	1 585	750	700	600	550
Other working capital requirements	(9 931)	(13 500)	(270)	14 550	7 710	9 089	10 620
Other provisions	842	793	853	750	910	920	900
Long term investments committed	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	10 532	10 804	11 836	29 000	12 416	13 001	13 621
Total Application of cash and investments:	16 485	14 338	26 103	59 050	35 236	36 610	35 691
Surplus(shortfall)	44 004	57 171	52 932	28 277	28 613	17 895	10 572

From the above table it can be seen that the cash and investments available total in the 2016/2017 financial year is **R63 849 000** and progressively decreases to **R46 263 000** by 2018/2019, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued. During the 2015/2016 financial year the municipality was required to supply National Treasury with a detailed analysis of the unspent grants. For the 2016/2017 financial year provision has been made for this liability.
- Provisions for statutory requirements include VAT owing to timing differences resulting from year-end obligations. The liability in this regard totaled **R700 000** for the 2016/2017 financial year.
- Against other provisions an amount **R910 000** has been provided for the 2016/2017 financial year and this decreases to **R900 000** by 2018/2019. This liability is informed by, amongst others, the commuting of staff leave.
- A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. For the purpose of the cash backed reserves and accumulated surplus reconciliation a provision equivalent to one month's operational expenditure has been provided for. It needs to be noted that although this can be considered prudent, the desired cash levels should be 60 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the municipality to meet its creditor obligations.

It can be concluded that the municipality's level of non cash-backing progressively improved over the period 2012/2013 to 2015/2016. The 2016/2017 MTREF has been informed by ensuring the financial plan meets the minimum requirements of the MFMA. However, from a practical perspective it would not be possible to eradicate this deficit in one financial year hence the phased approach over the MTREF. Nevertheless from a pure cash flow perspective (cash out flow versus cash inflow) the budget is funded and is therefore credible. The challenge for the municipality will be to ensure that the underlying planning and cash flow assumptions are meticulously managed, especially the performance against the collection rate.

10.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are obtained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Funding measurement

Description	2012/13	2013/14	2014/15	2015/2016	2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<u>Funding measures</u>							
Cash/cash equivalents at the year end - R'000	60 488	71 508	79 034	87 326	63 848	54 504	46 262
Cash + investments at the yr end less applications - R'000	44 004	57 171	51 641	28 277	28 613	17 895	10 572
Cash year end/monthly employee/supplier payments	4.9	5.0	4.7	4.4	2.9	2.4	1.9
Surplus/(Deficit) excluding depreciation offsets: R'000	28 469	18 402	33 674	35 005	21 012	23 349	22 974
Service charge rev % change - macro CPIX target exclusive	N.A.	1.5%	(3.9%)	(6.0%)	(1.9%)	0.0%	0.7%
Cash receipts % of Ratepayer & Other revenue	123.0%	102.3%	89.8%	72.2%	75.0%	76.5%	76.6%
Debt impairment expense as a % of total billable revenue	1.6%	13.5%	28.1%	20.7%	20.0%	20.1%	19.9%
Capital payments % of capital expenditure	103.4%	100.0%	100.0%	75.0%	75.0%	75.0%	75.0%
Borrowing receipts % of capital expenditure (excl. transfers)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations					0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	N.A.	21.7%	(25.6%)	0.0%	0.2%	(10.4%)	(13.5%)
Long term receivables % change - incr(decr)	N.A.	(1.8%)	1.4%	0.0%	1.3%	0.3%	0.4%
R&M % of Property Plant & Equipment	2.0%	2.5%	2.7%	3.1%	3.2%	3.0%	3.0%
Asset renewal % of capital budget	21.5%	42.4%	96.6%	42.0%	38.4%	36.1%	37.9%

10.5.1 Cash/cash equivalent position

The municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirement.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet the MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2015/2016 MTREF shows **R63 848 000, R54 504 000 and R46 262 000** for each respective financial year.

10.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in section 10.4 The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

10.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. Notably, the ratio has been decreasing for the period 2012/2013 to 2014/2015, moving from **4.9** to **4.7** with the adopted 2014/2015 MTREF. As part of the 2016/2017 MTREF the municipality's cash position causes the ratio to move downwards to **1.9** for the outer years. The municipality aims to achieve at least one month's cash coverage in the medium term, and then gradually towards two months coverage. This measure will have to be carefully monitored going forward.

10.5.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are sufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2016/2017 MTREF the indicative outcome is a surplus of **R21 012 000**, **R23 349 000** and **R22 974 000**.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

10.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target.

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3-6 per cent). The result is intended to be approximation of the real increase in revenue. From the table above it can be seen that the percentage decline totals **1.9**, **0** and **0.7** per cent for the respective financial years of the 2016/2017 MTREF. Considering the lowest percentage tariff increase in relation to revenue generated from rates and services charges is **6** per cent, with the increase in electricity at **7.46** per cent it is to be expected that the increase in revenue will exceed the inflation target figures. However, the outcome is lower than it might be due to the slowdown in the economy and a reduction in consumption patterns. This trend will have to be carefully monitored and managed with the implementation of the budget.

10.5.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyze the underlying assumed collection rate for the MTREF to determine the relevance and creditability of the budget assumptions contained in the budget. It can be seen that the outcome is at **76.6**, **76.6** and **76.6** per cent for each of the respective financial years. Given that the assumed collection rate was based on a **95** per cent performance target, the cash flow statement has been conservatively determined. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

10.5.7 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a **75** per cent timing discount has been factored into the cash position forecasted over the entire financial year. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

10.5.8 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for.

10.5.9 Consumer debtors change (Current and non-current)

The purpose of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. These are 2 measures shown for this factor; the change in current debtors and the change in long term receivable, both from the Budgeted Financial Position. Both measure show a relatively stable trend in line with the Municipality's policy of settling debtors accounts within 30 days.

10.5.10 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because that a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

10.5.11 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets.

10.6 Particulars of rates, refuse, electricity tariffs and other charges:

When the rates, electricity and refuse tariffs and other charges were revised, the following were taken into account:

- The wage agreements with unions.
- Other input costs of services provided by the Council
- The need to ensure financial sustainability
- Local economic conditions
- The affordability of services, taking into consideration the Council's indigent policy
- Relevant policy developments in the different sectors.

10.6.1 The **tariffs** for consideration are attached as **Annexure 1.**

10.7 EFFECT OF TARIFF INCREASES ON CUSTOMERS ACCOUNTS												
2016/2017												
												0.0099
SMALL RESIDENTIAL MTUNZINI												
ERF 140/6 MTZ	2015/2016 FINANCIAL YEAR					ERF 140/6 MTZ	2016/2017 FINANCIAL YEAR					2017/2018 2018/2019
DETAILS	M/VALUE	TOTAL	VAT	TOTAL		DETAILS	M/VALUE	TOTAL	VAT	TOTAL	% INCREASE	
Rates	615 000	400.88		400.88		Rates	615 000	424.96		424.96	6.01%	447.91 472.10
Refuse		125.04	17.51	142.55		Refuse		132.54	18.56	151.10	6.00%	159.86 168.33
				543.43						576.06	6.00%	607.77 640.43
MEDIUM RESIDENTIAL MTUNZINI												
ERF 347 MTZ	2015/2016 FINANCIAL YEAR					ERF 347 MTZ	2016/2017 FINANCIAL YEAR					2017/2018 2018/2019
DETAILS	M/VALUE	TOTAL	VAT	TOTAL		DETAILS	M/VALUE	TOTAL	VAT	TOTAL	% INCREASE	
Rates	1 305 000	937.99		937.99		Rates	1 305 000	994.33		994.33	6.01%	1 048.02 1 104.61
Refuse		125.04	17.51	142.55		Refuse		132.54	18.56	151.10	6.00%	159.86 168.33
				1 080.54						1 145.42	6.01%	1 207.88 1 272.95
LARGE RESIDENTIAL MTUNZINI												
ERF 1041 MTZ	2015/2016 FINANCIAL YEAR					ERF 1041 MTZ	2016/2017 FINANCIAL YEAR					2017/2018 2018/2019
DETAILS	M/VALUE	TOTAL	VAT	TOTAL		DETAILS	M/VALUE	TOTAL	VAT	TOTAL	% INCREASE	
Rates	3 645 000	2 759.49		2 759.49		Rates	3 645 000	2 925.22		2 925.22	6.01%	3 083.18 3 249.67
Refuse		125.04	17.51	142.55		Refuse		132.54	18.56	151.10	6.00%	159.86 168.33
				2 902.03						3 076.31	6.01%	3 243.04 3 418.00
SMALL RESIDENTIAL GINGINDLOVU												
ERF 125 GING	2015/2016 FINANCIAL YEAR					ERF 125 GING	2016/2017 FINANCIAL YEAR					2017/2018 2018/2019
DETAILS	M/VALUE	TOTAL	VAT	TOTAL		DETAILS	M/VALUE	TOTAL	VAT	TOTAL	% INCREASE	
Rates	200 000	77.84		77.84		Rates	200 000	82.52		82.52	6.01%	86.97 91.67
Refuse		125.04	17.51	142.55		Refuse		132.54	18.56	151.10	6.00%	159.86 168.33
				220.39						233.62	6.00%	246.83 260.00
MEDIUM RESIDENTIAL GINGINDLOVU												
ERF 35 GING	2015/2016 FINANCIAL YEAR					ERF 35 GING	2016/2017 FINANCIAL YEAR					2017/2018 2018/2019
DETAILS	M/VALUE	TOTAL	VAT	TOTAL		DETAILS	M/VALUE	TOTAL	VAT	TOTAL	% INCREASE	
Rates	400 000	233.53		233.53		Rates	400 000	247.55		247.55	6.01%	260.92 275.01
Refuse		125.04	17.51	142.55		Refuse		132.54	18.56	151.10	6.00%	159.86 168.33
				376.07						398.65	6.00%	420.78 443.34
LARGE RESIDENTIAL GINGINDLOVU												
ERF 93 GING	2015/2016 FINANCIAL YEAR					ERF 93 GING	2016/2017 FINANCIAL YEAR					2017/2018 2018/2019
DETAILS	M/VALUE	TOTAL	VAT	TOTAL		DETAILS	M/VALUE	TOTAL	VAT	TOTAL	% INCREASE	
Rates	1 455 000	1 054.75		1 054.75		Rates	1 455 000	1 118.10		1 118.10	6.01%	1 178.48 1 242.12
Refuse		125.04	17.51	142.55		Refuse		132.54	18.56	151.10	6.00%	159.86 168.33
				1 197.30						1 269.20	6.01%	1 338.34 1 410.45

2015/2016 EFFECT OF TARIFF INCREASES ON CUSTOMERS ACCOUNTS																
	0.009341								0.0099							
SMALL RESIDENTIAL ESHOWE																
ERF 1172 ESH								2015/2016 FINACIAL YEAR								
DETAILS	0-50KWH	51-350KWH	351-600KWH	600>KWH	TOTAL	VAT	TOTAL	ERF 1172 ESH								%
Unit Cost Per KWH	0.79	1.00	1.40	1.42				DETAILS	0-50KWH	51-350KWH	351-600KWH	600>KWH	TOTAL	VAT	TOTAL	INCREASE
Consumption (600 Units)	50	300	250	0				Unit Cost Per KWH	0.85	1.08	1.51	1.53				
	39.50	300.00	350.00	0.00	689.50	96.53	786.03	Consumption (600 Units)	50	300	250	0				
Service Charge					214.30	30.00	244.30	Service Charge	42.66	324.00	378.00	0.00	744.66	104.25	848.91	8.00%
Rates	460 000				280.23		280.23	Rates					231.44	32.40	263.85	8.00%
Refuse					125.04	17.51	142.55	Refuse	460 000				297.06		297.06	6.01%
							1 453.11						132.54	18.56	151.10	6.00%
															1 560.92	7.42%
MEDIUM RESIDENTIAL ESHOWE																
ERF 1207 ESH								2015/2016 FINACIAL YEAR								
DETAILS	0-50KWH	51-350KWH	351-600KWH	600>KWH	TOTAL	VAT	TOTAL	ERF 1207 ESH								%
Unit Cost Per KWH	0.79	1	1.4	1.42				DETAILS	0-50KWH	51-350KWH	351-600KWH	600>KWH	TOTAL	VAT	TOTAL	INCREASE
Consumption (1500 Units)	50	300	250	900				Unit Cost Per KWH	0.85	1.08	1.51	1.53				
	39.50	300.00	350.00	1 278.00	1 967.50	275.45	2 242.95	Consumption (1500 Units)	50	300	250	900				
Service Charge					214.30	30.00	244.30	Service Charge	42.66	324.00	378.00	1 380.24	2 124.90	297.49	2 422.39	8.00%
Rates	870 000				599.38		599.38	Rates					231.44	32.40	263.85	8.00%
Refuse					125.04	17.51	142.55	Refuse	870 000				635.38		635.38	6.01%
							3 229.18						132.54	18.56	151.10	6.00%
															3 472.71	7.54%
LARGE RESIDENTIAL ESHOWE																
ERF 467 ESH								2015/2016 FINACIAL YEAR								
DETAILS	0-50KWH	51-350KWH	351-600KWH	600>KWH	TOTAL	VAT	TOTAL	ERF 467 ESH								%
Unit Cost Per KWH	0.79	1	1.4	1.42				DETAILS	0-50KWH	51-350KWH	351-600KWH	600>KWH	TOTAL	VAT	TOTAL	INCREASE
Consumption (2100 Units)	50	300	250	1500				Unit Cost Per KWH	0.85	1.08	1.51	1.53				
	39.50	300.00	350.00	2 130.00	2 819.50	394.73	3 214.23	Consumption (2100 Units)	50	300	250	1500				
Service Charge					214.30	30.00	244.30	Service Charge	42.66	324.00	378.00	2 300.40	3 045.06	426.31	3 471.37	8.00%
Rates	1 170 000				832.91		832.91	Rates					231.44	32.40	263.85	8.00%
Refuse					125.04	17.51	142.55	Refuse	1 170 000				882.93		882.93	6.01%
							4 433.98						132.54	18.56	151.10	6.00%
															4 769.24	7.56%

2016/2017 EFFECT OF TARIFF INCREASES ON CUSTOMERS ACCOUNTS																
	0.009341									0.0099						
SMALL RESIDENTIAL KING DINUZULU																
ERF 568 KDS	2015/2016 FINANCIAL YEAR								ERF 568 KDS	2016/2017 FINANCIAL YEAR						
DETAILS	0-50KWH	51-350KWH	351-600KWH	600>KWH	TOTAL	VAT	TOTAL		DETAILS	0-50KWH	51-350KWH	351-600KWH	600>KWH	TOTAL	VAT	TOTAL
Unit Cost Per KWH	0.79	1.00	1.40	1.42					Unit Cost Per KWH	0.85	1.08	1.51	1.53			
Consumption (350 Units)	50	300	0	0					Consumption (350 Units)	50	300					
	39.50	300.00	0.00	0.00	339.50	47.53	387.03			42.66	324.00	0.00	0.00	366.66	51.33	417.99
Service Charge					214.30	30.00	244.30		Service Charge					231.44	32.40	263.85
Rates	320 000				171.25		171.25		Rates	320 000				181.54		181.54
Refuse					125.04	17.51	142.55		Refuse					132.54	18.56	151.10
							945.13									1 014.47
																7.34%
MEDIUM RESIDENTIAL KING DINUZULU																
ERF 888 KDS	2015/2016 FINANCIAL YEAR								ERF 888 KDS	2016/2017 FINANCIAL YEAR						
DETAILS	0-50KWH	51-350KWH	351-600KWH	600>KWH	TOTAL	VAT	TOTAL		DETAILS	0-50KWH	51-350KWH	351-600KWH	600>KWH	TOTAL	VAT	TOTAL
Unit Cost Per KWH	0.79	1	1.4	1.42					Unit Cost Per KWH	0.85	1.08	1.51	1.53			
Consumption (599 Units)	50	300	249	0					Consumption (599 Units)	50	300	249				
	39.50	300.00	348.60	0.00	688.10	96.33	784.43			42.66	324.00	376.49	0.00	743.15	104.04	847.19
Service Charge					214.30	30.00	244.30		Service Charge					231.44	32.40	263.85
Rates	415 000				245.20		245.20		Rates	415 000				259.93		259.93
Refuse					125.04	17.51	142.55		Refuse					132.54	18.56	151.10
							1 416.48									1 522.06
																7.45%
LARGE RESIDENTIAL KING DINUZULU																
ERF 904 KDS	2015/2016 FINANCIAL YEAR								ERF 904 KDS	2016/2017 FINANCIAL YEAR						
DETAILS	0-50KWH	51-350KWH	351-600KWH	600>KWH	TOTAL	VAT	TOTAL		DETAILS	0-50KWH	51-350KWH	351-600KWH	600>KWH	TOTAL	VAT	TOTAL
Unit Cost Per KWH	0.79	1	1.4	1.42					Unit Cost Per KWH	0.85	1.08	1.51	1.53			
Consumption (1050 Units)	50	300	250	450					Consumption (1050 Units)	50	300	250	450			
	39.50	300.00	350.00	639.00	1 328.50	185.99	1 514.49			42.66	324.00	378.00	690.12	1 434.78	200.87	1 635.65
Service Charge					214.30	30.00	244.30		Service Charge					231.44	32.40	263.85
Rates	555 000				354.18		354.18		Rates	555 000				375.45		375.45
Refuse					125.04	17.51	142.55		Refuse					132.54	18.56	151.10
							2 255.52									2 426.04
																7.56%

10.8 Debtor's collection levels

The Finance Department endeavors to improve the collection levels of the outstanding debtor accounts by implementing the following:

- To execute termination of electricity supply by looking at the total outstanding account on the premises. This means that the electricity supply will be terminated if property rates is outstanding on the property
- To block the sale of pre paid electricity by looking at the total outstanding account, including property rates on the premises.
- An improved structure for arrangements and extensions of time for payment of outstanding debt.
- Quarterly meetings with the Council's attorneys to discuss problem areas on handed over cases.

10.9 Planned savings and efficiencies over the medium term revenue and expenditure framework

The following savings and efficiencies were discussed at management and Executive Committee level:

- Cut down on nice to have items in the operating expenditure and capital budgets.
- Cut down on unnecessary subsistence and travel to workshops and meetings that do not add value to the Council's operations.
- Managers of departments are instructed to improve the control of the overtime of their staff.
- The implementation plans in terms of the IDP must be developed and implemented in house by the relevant departments. Avoid the appointment of consultants.
- The Acting Director: Protection Services must ensure the productive utilization of the speeding camera/cameras
- To enhance the revenue on waste management, the Director: Community Services must identify which consumers are placing a burden on the waste transfer station.

10.10 Investments

At present the Council does not have investments to fund the operating or capital expenditure. The investment portfolio for the Council is investments for conditional grants received from National Treasury.

10.11 Planned proceeds from the lease of assets

Rental Facilities		
Description	Budgeted Amount for 2015/2016	Budgeted Amount for 2016/2017
Hire of Halls & Equipment	157 820	166 500
Hire of Building(Sportsclub)	10 320	11 350
Mtunzini Sugar Cane Farm	357 300	379 450
Rent – Sugar Cane Lease (Eshowe)	386 250	410 200
Rent – Sundry	180 600	191 800
Rent Received (Staff housing)	88 140	93 600
Total Budgeted for Rental Facilities	1 180 430	1 252 900

10.12 Planned use of bank overdraft

- The Council's primary bank account is with First National Bank in Eshowe
- The overdraft facility at the bank is **R5 000 000**.
- It is envisaged that use will be made of the bank overdraft facility during the 2016/2017 budget year, due to payment of large amounts for capital projects while waiting for transfer of government grants

10.13 New borrowing proposed to be raised.

There is no capital project in the 2016/2017 budget year that requires external funding.

11. EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

11.1 The Expenditure on allocation and grant programmes are as follows:

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		88 127	94 304	115 572	133 770	140 380	140 380	145 868	148 012	155 515
Local Government Equitable Share		76 090	82 861	102 939	119 603	119 854	119 854	131 392	136 247	141 383
Municipal Systems Improvement		800	890	437	930	930	930	–	–	–
Finance Management		1 500	1 550	1 249	1 600	1 174	1 174	1 625	1 700	1 955
Integrated National Electrification Programme		8 130	7 380	8 195	8 000	13 431	13 431	8 000	8 000	10 000
EPWP Incentive		981	1 019	2 172	3 037	3 037	3 037	2 924	–	–
PT: Greenest Municipality		97	22	–	–	–	–	–	–	–
COGTA: Groundnut activities		–	–	–	–	–	–	–	–	–
COGTA: Establishment of pound grant		–	–	–	–	–	–	–	–	–
Information signs: Tourism R66		4	–	–	–	–	–	–	–	–
Project Management Unit (MIG Projects)		526	582	580	600	1 955	1 955	1 927	2 065	2 177
Provincial Government:		2 088	3 294	4 852	3 950	16 183	16 183	4 396	4 587	4 824
Vukani Museum Subsidy		–	–	–	–	207	207	–	–	–
Health subsidy		201	–	–	–	–	–	–	–	–
Museum Subsidy		134	143	460	506	506	506	1 062	1 115	1 171
PT: Provincialisation of Libraries		1 298	2 726	2 860	2 933	2 933	2 933	2 968	3 087	3 249
Library: Cyber Cadet KDS GR50		204	366	297	361	502	502	366	385	404
Housing		251	58	1 147	–	3 080	3 080	–	–	–
Dept of Sport and Rec: Maintenance of facilities		–	–	88	150	212	212	–	–	–
COGTA: Fire Stations Analysis		–	–	–	–	5 000	5 000	–	–	–
COGTA: Support to community centre grant		–	–	–	–	383	383	–	–	–
Property rates		–	–	–	–	3 360	3 360	–	–	–
District Municipality:		483	483	–	–	–	–	–	–	–
<i>Uthungulu District Grant: Salary Claims</i>		483	483	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
<i>[insert description]</i>		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	90 698	98 080	120 423	137 720	156 563	156 563	150 264	152 599	160 339
<u>Capital Transfers and Grants</u>										
National Government:		32 602	37 165	58 806	64 464	66 360	66 360	53 637	62 647	68 595
Municipal Infrastructure Grant (MIG)		24 986	29 336	37 101	38 490	40 090	40 090	36 612	39 230	41 367
EPWP grant		–	–	–	–	–	–	–	–	–
Municipal Finance Management grant		–	–	349	–	426	426	–	–	–
Municipal Systems Improvement		–	–	–	40	160	160	–	–	–
Equitable Share		7 616	7 829	21 356	25 934	25 683	25 683	17 025	23 417	27 228
Other capital transfers/grants [insert desc]		–	–	–	–	–	–	–	–	–
Provincial Government:		1 068	–	–	–	4 736	4 736	4 500	4 500	–
Department of Sport and Recreation grant		1 068	–	–	–	891	891	–	–	–
Department of Human Settlements grant		–	–	–	–	728	728	–	–	–
Cogta: Support to community service centre grant		–	–	–	–	117	117	–	–	–
Cogta: Small town rehabilitation grant		–	–	–	–	3 000	3 000	4 500	4 500	–
District Municipality:		–	–	–	–	–	–	–	–	–
<i>Uthungulu District Grant: Salary Claims</i>		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
<i>[insert description]</i>		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	33 670	37 165	58 806	64 464	71 097	71 097	58 137	67 147	68 595
TOTAL RECEIPTS OF TRANSFERS & GRANTS		124 368	135 245	179 229	202 184	227 660	227 660	208 401	219 746	228 934

11.2 Hereunder follows the proposed equitable share allocations for the next 3 budget years

DETAILS	BUDGET 2016/2017	BUDGET 2017/2018	BUDGET 2018/2019
Care taking: rural buildings	100 000	150 000	200 000
Youth development	618 000	700 000	700 000
Early childhood development	308 000	338 800	372 680
Community support programme	618 000	700 000	700 000
Local economic development (LED)	600 000	700 000	800 000
Youth business advisory centre	200 000	200 000	200 000
Ceremonial events	120 000	130 000	140 000
Commemorative celebrations	260 000	270 000	280 000
Rates relief	78 473 030	80 490 760	84 023 170
Depreciation on assets contribution	7 271 210	7 692 940	8 139 130
Poverty alleviation	2 200 000	2 200 000	2 200 000
Ward committee expenses	1 000 000	1 000 000	1 000 000
Councillor's remuneration	10 257 000	10 757 000	11 287 000
Councillor's Funeral Assistance	150 000	150 000	150 000
Animal pound facility	633 840	675 040	718 990
Rural fire prevention	200 000	200 000	200 000
Disaster assistance	650 000	700 000	700 000
Humanitarian assistance	800 000	800 000	800 000
Sport development	1 000 000	1 000 000	1 000 000
Cultural development	200 000	200 000	200 000
Special programmes	450 000	450 000	450 000
Operation Sukuma Sakhe	200 000	200 000	200 000
Local Aids Council	450 000	450 000	450 000
Work creation projects	1 300 000	1 300 000	1 300 000
Sports fields – security	369 980	388 490	407 920
Rural grounds maintenance	300 000	300 000	300 000
Rural roads: Grader programme	10 463 930	9 987 130	10 536 490
Free refuse	1 868 850	1 977 240	2 091 920
Solid waste relief	1 776 590	1 937 630	2 108 010
Free electricity	1 193 180	1 273 140	1 358 820
Electricity relief	7 360 000	8 528 880	7 919 160
Electricity metering audit	-	400 000	450 000
Capital projects contribution	17 025 390	23 416 950	27 227 710
	148 417 000	159 664 000	168 611 000

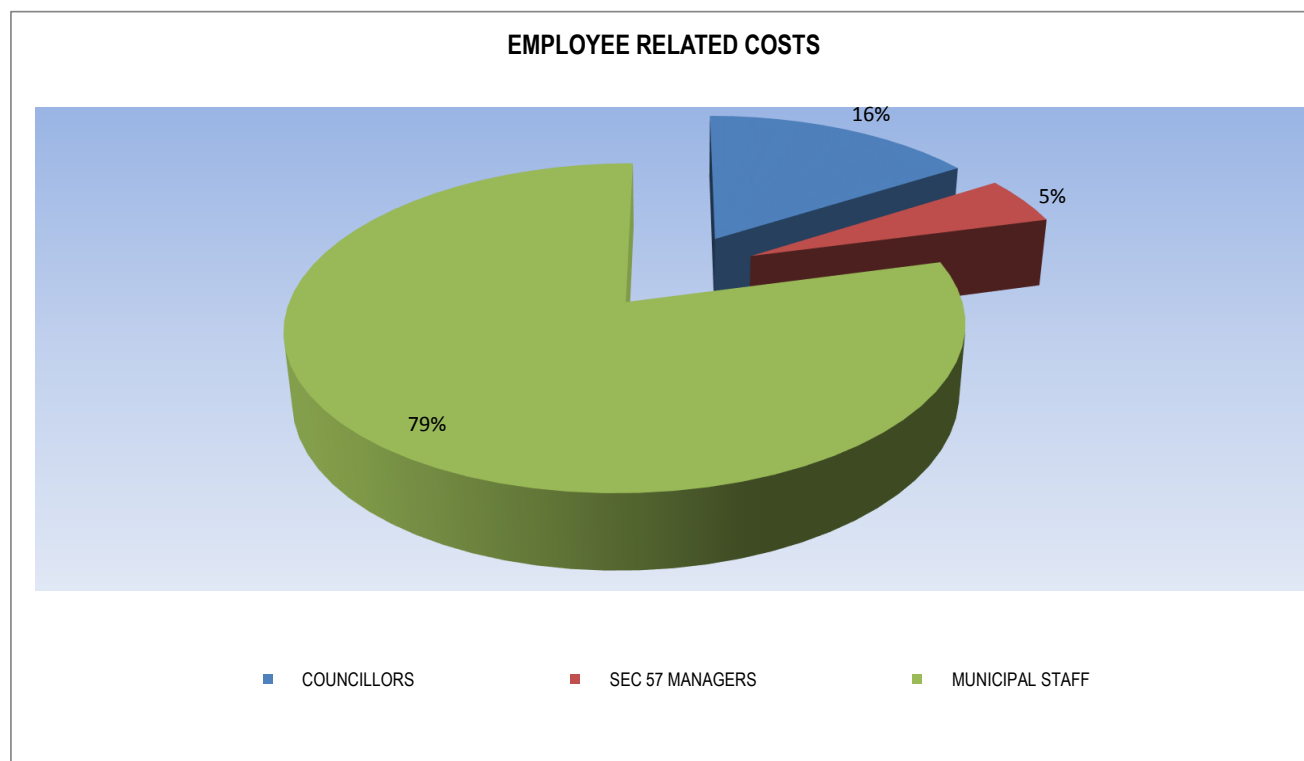
12. COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

12.1 Summary of Councillor and Staff Benefits

Summary of Employee and Councillor remuneration	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		9 446	9 999	8 477	11 232	11 026	11 026	10 777	11 532	12 339
Pension and UIF Contributions		1 047	567	555	860	837	837	705	755	807
Medical Aid Contributions		52	270	315	319	319	319	400	428	458
Motor Vehicle Allowance		2 135	2 178	1 614	3 995	3 995	3 995	2 052	2 195	2 349
Cellphone Allowance		53	674	918	1 193	1 193	1 193	1 167	1 249	1 336
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		–	–	3 330	192	192	192	4 233	4 529	4 846
Sub Total - Councillors		12 733	13 688	15 209	17 792	17 564	17 564	19 335	20 688	22 136
% increase	4		7.5%	11.1%	17.0%	(1.3%)	–	10.1%	7.0%	7.0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		5 479	3 624	3 871	5 448	5 448	5 448	4 891	5 234	5 600
Pension and UIF Contributions		744	102	58	296	296	296	265	283	303
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		591	156	237	–	–	–	–	–	–
Motor Vehicle Allowance	3	615	609	714	1 022	1 022	1 022	858	918	982
Cellphone Allowance	3	–	–	–	–	–	–	–	–	–
Housing Allowances	3	–	–	–	–	–	–	–	–	–
Other benefits and allowances	3	–	–	–	–	–	–	–	–	–
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		7 429	4 491	4 881	6 766	6 766	6 766	6 014	6 435	6 885
% increase	4		(39.5%)	8.7%	38.6%	–	–	(11.1%)	7.0%	7.0%
Other Municipal Staff										
Basic Salaries and Wages		24 825	32 055	40 027	56 604	47 878	47 878	66 553	71 212	74 148
Pension and UIF Contributions		6 953	7 917	8 610	12 793	10 374	10 374	14 134	15 231	16 297
Medical Aid Contributions		1 959	2 259	2 367	3 641	2 624	2 624	4 177	4 474	4 787
Overtime		5 093	3 515	3 330	4 975	5 011	5 011	3 926	4 201	4 495
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	2 205	2 291	2 841	2 911	3 783	3 783	4 428	4 733	5 065
Cellphone Allowance	3	–	–	–	157	157	157	–	–	–
Housing Allowances	3	299	115	116	137	346	346	664	593	634
Other benefits and allowances	3	5 439	6 926	1 223	226	149	149	2 356	2 519	2 672
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff		46 772	55 078	58 515	81 443	70 322	70 322	96 238	102 962	108 097
% increase	4		17.8%	6.2%	39.2%	(13.7%)	–	36.9%	7.0%	5.0%
Total Parent Municipality		66 934	73 257	78 604	106 002	94 652	94 652	121 587	130 085	137 118
Sub Total - Other Staff of Entities		–	–	–	–	–	–	–	–	–
% increase	4		–	–	–	–	–	–	–	–
Total Municipal Entities		–	–	–	–	–	–	–	–	–
TOTAL SALARY, ALLOWANCES & BENEFITS		66 934	73 257	78 604	106 002	94 652	94 652	121 587	130 085	137 118
% increase	4		9.4%	7.3%	34.9%	(10.7%)	–	28.5%	7.0%	5.4%
TOTAL MANAGERS AND STAFF	5,7	54 201	59 569	63 396	88 209	77 088	77 088	102 252	109 397	114 982

References

BUDGET - EMPLOYEE RELATED COSTS	
2015/2016 MTREF	
DESCRIPTION	BUDGET YEAR 2015/2016 R'000
COUNCILLORS	19 335
SEC 57 MANAGERS	6 014
MUNICIPAL STAFF	96 238
TOTAL EXPENDITURE	121 587



12.2 Salaries, allowances and benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<u>Councillors</u>	3							
Speaker	4		609 544	44 002	21 494			675 039
Chief Whip			570 782	44 002	19 703			634 486
Executive Mayor			608 637	26 257	202 360			837 254
Deputy Executive Mayor			468 169	44 002	162 869			675 039
Executive Committee			3 118 354	288 878	1 034 174			4 441 405
Total for all other councillors			9 503 751	156 128	2 411 397			12 071 276
Total Councillors	8	–	14 879 236	603 267	3 851 997			19 334 500
<u>Senior Managers of the Municipality</u>	5							
Municipal Manager (MM)			1 254 978	26 884	180 000			1 461 862
Chief Finance Officer			779 531	123 781	126 000			1 029 313
Director - Corporate Services			821 440	1 785	120 000			943 225
Director - Protection Services			455 671	92 919	144 000			692 590
Director - Community Services			797 808	1 785	144 000			943 593
Director - Engineering Services			781 804	17 421	144 000			943 225
List of each official with packages >= senior manager								
Total Senior Managers of the Municipality	8,10	–	4 891 232	264 574	858 000	–		6 013 807
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	–	19 770 468	867 842	4 709 997	–		25 348 307

12.3 Summary of personnel numbers

Summary of Personnel Numbers		Ref	2014/2015			Current Year 2015/2016			Budget Year 2016/2017		
Number	1,2		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities											
Councillors (Political Office Bearers plus Other Councillors)			52	8	44	52	12	40	52	12	40
Board Members of municipal entities	4										
Municipal employees	5		–								
Municipal Manager and Senior Managers	3		6	1	5	7	1	6	7	1	6
Other Managers	7		14	14	–	20	20		20	20	
Professionals			138	138	–	153	153	–	163	163	–
Finance			26	26		27	27		36	36	
Spatial/town planning											
Information Technology											
Roads			1	1		1	1		1	1	
Electricity											
Water											
Sanitation											
Refuse											
Other			111	111		125	125		126	126	
Technicians			184	184	22	200	200	–	200	200	–
Finance											
Spatial/town planning											
Information Technology											
Roads			1	1		1	1		1	1	
Electricity			4	4		4	4		4	4	
Water											
Sanitation											
Refuse											
Other			179	179	22	195	195		195	195	
Clerks (Clerical and administrative)											
Service and sales workers											
Skilled agricultural and fishery workers											
Craft and related trades											
Plant and Machine Operators											
Elementary Occupations											
TOTAL PERSONNEL NUMBERS	9		394	345	71	432	386	46	442	396	46
% increase						9.6%	11.9%	(35.2%)	2.3%	2.6%	–
Total municipal employees headcount	6, 10										
Finance personnel headcount	8, 10										
Human Resources personnel headcount	8, 10										

13. MONTHLY TARGETS FOR REVENUE AND CASHFLOW

13.1 Hereunder follows a consolidation for revenue by source and expenditure by type

MONTHLY CASH FLOWS	Budget Year 2016/2017												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand															
Cash Receipts By Source													1		
Property rates	3 088	4 939	10 814	6 192	3 371	2 546	2 722	2 313	2 445	2 137	2 641	2 865	46 073	47 787	50 674
Property rates - penalties & collection charges	141	225	493	282	154	116	124	106	112	97	120	135	2 106	2 236	2 368
Service charges - electricity revenue	4 188	4 335	3 774	5 543	4 462	3 198	5 088	3 635	3 873	3 461	2 911	6 106	50 574	54 612	58 692
Service charges - water revenue												-			
Service charges - sanitation revenue												-			
Service charges - refuse revenue	863	873	823	724	856	673	743	803	780	350	550	2 024	10 061	10 644	11 213
Service charges - other												-			
Rental of facilities and equipment												1 190	1 190	1 264	1 340
Interest earned - external investments	385	385	693	456	315	736	434	476	503	616	305	743	6 047	6 422	6 801
Interest earned - outstanding debtors	28	28	28	28	28	28	28	28	28	28	28	29	338	358	380
Dividends received												-			
Fines	10	30	196	189	617	390	343	485	365	526	475	433	4 057	4 309	4 563
Licences and permits	365	293	307	302	291	295	285	310	337	234	210	334	3 562	3 783	4 006
Agency services												-			
Transfer receipts - operational	53 132	3 119	3 339	3 677	46 805	1 167	1 722	1 667	35 635	-	-	-	150 264	152 599	160 339
Other revenue	250	250	250	250	250	250	250	250	250	250	250	491	3 243	3 405	3 629
Cash Receipts by Source	62 451	14 478	20 716	17 643	57 149	9 399	11 740	10 073	44 327	7 700	7 489	14 349	277 513	287 419	304 005
Other Cash Flows by Source															
Transfer receipts - capital	25 421	-	-	-	-	-	-	-	32 717	-	-	-	58 137	67 147	68 595
Contributions recognised - capital & Contributed assets												-			
Proceeds on disposal of PPE	11	11	11	11	11	11	11	11	11	11	11	11	130	140	150
Short term loans												-			
Borrowing long term/refinancing												-			
Increase (decrease) in consumer deposits	9	9	9	9	9	9	9	9	9	9	9	9	105	55	65
Decrease (Increase) in non-current debtors	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(18)	(5)	(5)
Decrease (increase) other non-current receivables												-			
Decrease (increase) in non-current investments												-			
Total Cash Receipts by Source	87 889	14 496	20 734	17 661	57 167	9 417	11 758	10 091	77 061	7 718	7 508	14 367	335 868	354 756	372 810
Cash Payments by Type															
Employee related costs	8 320	8 246	8 642	8 517	8 190	8 325	8 042	8 723	9 491	6 608	5 905	11 198	100 207	107 209	112 683
Remuneration of councillors	1 611	1 611	1 611	1 611	1 611	1 611	1 611	1 611	1 611	1 611	1 611	1 611	19 335	20 688	22 136
Finance charges			271						270			0	541	498	456
Bulk purchases - Electricity	1 698	5 220	6 031	4 854	3 425	3 784	3 829	3 854	3 823	3 949	3 749	4 725	48 940	53 541	56 574
Bulk purchases - Water & Sewer												-			
Other materials												-			
Contracted services	2 576	2 576	2 576	2 576	2 576	2 576	2 576	2 576	2 576	2 576	2 576	1 584	29 924	28 752	30 256
Transfers and grants - other municipalities												-			
Transfers and grants - other	324	324	324	324	324	324	324	324	324	324	324	742	4 302	4 547	4 806
Other expenditure	5 906	5 906	5 906	5 906	5 906	5 906	5 906	5 906	5 906	5 906	5 906	32 824	97 788	93 212	97 253
Cash Payments by Type	20 435	23 883	25 360	23 789	22 032	22 527	22 288	22 994	24 001	20 974	20 071	52 683	301 037	308 447	324 163
Other Cash Flows/Payments by Type															
Capital assets	-	-	15	1 139	6 079	2 640	788	3 461	6 338	4 399	2 569	30 538	57 966	55 310	56 546
Repayment of borrowing			172						172			-	343	343	343
Other Cash Flows/Payments												-			
Total Cash Payments by Type	20 435	23 883	25 547	24 928	28 111	25 167	23 076	26 455	30 510	25 373	22 639	83 221	359 346	364 100	381 052
NET INCREASE/(DECREASE) IN CASH HELD	67 454	(9 387)	(4 812)	(7 267)	29 056	(15 750)	(11 317)	(16 364)	46 551	(17 654)	(15 132)	(68 854)	(23 478)	(9 344)	(8 242)
Cash/cash equivalents at the month/year begin:	87 326	154 780	145 393	140 581	133 314	162 370	146 620	135 302	118 938	165 489	147 834	132 702	87 326	63 848	54 504
Cash/cash equivalents at the month/year end:	154 780	145 393	140 581	133 314	162 370	146 620	135 302	118 938	165 489	147 834	132 702	63 848	63 848	54 504	46 262

13.2 Hereunder follows a consolidation for revenue by source and expenditure by type

Description	Ref	Budget Year 2016/2017												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand																
Revenue - Standard																
Governance and administration		18 597	18 597	18 597	18 597	18 597	18 597	18 597	18 597	18 597	18 597	18 597	19 355	223 923	235 110	245 121
Executive and council		18 109	18 109	18 109	18 109	18 109	18 109	18 109	18 109	18 109	18 109	18 109	19 898	219 098	229 995	239 485
Budget and treasury office		447	447	447	447	447	447	447	447	447	447	447	(317)	4 605	4 881	5 388
Corporate services		41	41	41	41	41	41	41	41	41	41	41	(226)	220	234	248
Community and public safety		3 235	3 235	3 235	3 235	3 235	3 235	3 235	3 235	3 235	3 235	3 235	3 940	39 524	41 640	43 775
Community and social services		353	353	353	353	353	353	353	353	353	353	353	1 005	4 888	5 154	5 465
Sport and recreation		249	249	249	249	249	249	249	249	249	249	249	251	2 987	3 069	3 152
Public safety		2 360	2 360	2 360	2 360	2 360	2 360	2 360	2 360	2 360	2 360	2 360	2 411	28 371	30 129	31 858
Housing		15	15	15	15	15	15	15	15	15	15	15	15	178	189	200
Health		258	258	258	258	258	258	258	258	258	258	258	258	3 100	3 100	3 100
Economic and environmental services		1 567	1 567	1 567	1 567	1 567	1 567	1 567	1 567	1 567	1 567	1 567	2 877	20 111	17 196	18 208
Planning and development		404	404	404	404	404	404	404	404	404	404	404	1 708	6 153	3 498	3 742
Road transport		1 163	1 163	1 163	1 163	1 163	1 163	1 163	1 163	1 163	1 163	1 163	1 169	13 957	13 697	14 465
Environmental protection													-	-	-	-
Trading services		7 644	7 644	7 644	7 644	7 644	7 644	7 644	7 644	7 644	7 644	7 644	8 145	92 230	99 629	106 953
Electricity		6 339	6 339	6 339	6 339	6 339	6 339	6 339	6 339	6 339	6 339	6 339	6 840	76 568	83 000	89 359
Water													-	-	-	-
Waste water management													-	-	-	-
Waste management		1 305	1 305	1 305	1 305	1 305	1 305	1 305	1 305	1 305	1 305	1 305	1 305	15 662	16 629	17 595
Other													-	-	-	-
Total Revenue - Standard		31 043	31 043	31 043	31 043	31 043	31 043	31 043	31 043	31 043	31 043	31 043	34 317	375 788	393 574	414 057
Expenditure - Standard			56 248	56 248	56 248	56 248	56 248	56 248	56 248	56 248	56 248	56 248				
Governance and administration		12 083	12 083	12 083	12 083	12 083	12 083	12 083	12 083	12 083	12 083	12 083	(594)	132 315	137 786	144 480
Executive and council		9 295	9 295	9 295	9 295	9 295	9 295	9 295	9 295	9 295	9 295	9 295	326	102 567	109 060	114 256
Budget and treasury office		1 696	1 696	1 696	1 696	1 696	1 696	1 696	1 696	1 696	1 696	1 696	701	19 352	17 749	18 694
Corporate services		1 093	1 093	1 093	1 093	1 093	1 093	1 093	1 093	1 093	1 093	1 093	(1 621)	10 397	10 976	11 529
Community and public safety		6 898	6 898	6 898	6 898	6 898	6 898	6 898	6 898	6 898	6 898	6 898	9 811	85 688	90 036	94 576
Community and social services		646	646	646	646	646	646	646	646	646	646	646	3 793	10 903	10 917	11 581
Sport and recreation		1 176	1 176	1 176	1 176	1 176	1 176	1 176	1 176	1 176	1 176	1 176	1 095	14 028	14 846	15 514
Public safety		4 376	4 376	4 376	4 376	4 376	4 376	4 376	4 376	4 376	4 376	4 376	4 222	52 356	55 502	58 414
Housing		11	11	11	11	11	11	11	11	11	11	11	11	133	145	157
Health		689	689	689	689	689	689	689	689	689	689	689	690	8 269	8 627	8 909
Economic and environmental services		2 551	2 551	2 551	2 551	2 551	2 551	2 551	2 551	2 551	2 551	2 551	12 441	40 504	38 611	40 486
Planning and development		553	553	553	553	553	553	553	553	553	553	553	9 700	15 785	13 471	14 148
Road transport		1 998	1 998	1 998	1 998	1 998	1 998	1 998	1 998	1 998	1 998	1 998	2 741	24 719	25 140	26 338
Environmental protection													-	-	-	-
Trading services		7 967	7 967	7 967	7 967	7 967	7 967	7 967	7 967	7 967	7 967	7 967	8 620	96 254	103 777	111 526
Electricity		6 298	6 298	6 298	6 298	6 298	6 298	6 298	6 298	6 298	6 298	6 298	6 945	76 225	82 456	88 849
Water													-	-	-	-
Waste water management													621	621	665	710
Waste management		1 669	1 669	1 669	1 669	1 669	1 669	1 669	1 669	1 669	1 669	1 669	1 053	19 408	20 657	21 967
Other													14	14	15	16
Total Expenditure - Standard		29 499	29 499	29 499	29 499	29 499	29 499	29 499	29 499	29 499	29 499	29 499	30 292	354 776	370 225	391 084
Surplus/(Deficit) before assoc.		1 544	1 544	1 544	1 544	1 544	1 544	1 544	1 544	1 544	1 544	1 544	4 025	21 012	23 349	22 974
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	1 544	1 544	1 544	1 544	1 544	1 544	1 544	1 544	1 544	1 544	1 544	4 025	21 012	23 349	22 974

14. Contract having future budgets implications

There is no contract which will impose financial obligations on the municipality beyond the three years covered in the annual budget:

15. CAPITAL EXPENDITURE DETAILS
15.1 Capital expenditure on new assets by asset class

KZN284 uMlalazi - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/2016			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		17 187	17 593	-	11 507	16 613	16 613	25 997	28 960	32 118
Infrastructure - Road transport		16 687	14 628	-	7 587	13 461	13 461	25 147	27 480	31 188
Roads, Pavements & Bridges		13 670	13 378	-	7 587	13 461	13 461	25 147	27 480	31 188
Storm water		3 018	1 250	-	-	-	-	-	-	-
Infrastructure - Electricity		437	345	-	2 370	2 393	2 393	750	380	930
Generation		437	345	-	2 370	2 393	2 393	750	380	930
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		63	2 620	-	1 550	758	758	100	1 100	-
Waste Management		63	-	-	1 050	30	30	-	-	-
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	2 620	-	500	728	728	100	1 100	-
Community		5 048	2 613	-	11 512	23 486	23 486	16 225	15 408	13 170
Parks & gardens		-	-	-	950	150	150	-	-	-
Sportsfields & stadia		1 000	2 172	-	8 462	19 036	19 036	8 400	7 110	7 200
Swimming pools		100	-	-	-	-	-	-	3 000	-
Community halls		127	-	-	1 700	1 700	1 700	3 785	3 100	3 320
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	1 300	1 300	1 500	-	-
Fire, safety & emergency		-	179	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Busines		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		42	238	-	400	100	100	650	550	150
Social rental housing		-	-	-	-	-	-	-	-	-
Other		3 779	24	-	-	1 200	1 200	1 890	1 648	2 500
Heritage assets										
Buildings		-	238	-	-	-	-	-	-	-
Other		-	238	-	-	-	-	-	-	-
Investment properties										
Housing development		-	-	2 000	515	750	750	-	-	-
Other		-	-	2 000	515	750	750	-	-	-
Other assets		4 202	972	-	5 011	5 385	5 385	5 355	2 780	1 530
General vehicles		2 754	238	-	-	675	675	400	-	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		966	425	-	1 046	2 331	2 331	1 049	1 019	678
Computers - hardware/equipment		-	-	-	-	466	466	-	-	-
Furniture and other office equipment		482	310	-	3 965	1 682	1 682	1 266	741	852
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	1 991	-	-
Other Buildings		-	-	-	-	230	230	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	1 000	-
Agricultural assets										
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets										
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles										
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other (list sub-class)		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	26 436	21 416	2 000	28 545	46 233	46 233	47 577	47 128	46 818

15.2 Capital expenditure on the renewal of existing assets by class

Description		Ref	2012/13	2013/14	2014/15	Current Year 2015/2016			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital expenditure on renewal of existing assets by Asset Class/Sub-class											
Infrastructure			6 024	13 113	47 893	38 284	27 260	27 260	25 360	16 489	18 267
Infrastructure - Road transport			6 024	10 932	45 377	29 131	20 134	20 134	20 750	16 399	18 147
Roads, Pavements & Bridges			6 024	10 013	44 573	27 831	18 229	18 229	18 750	14 299	15 447
Storm water			-	919	804	1 300	1 905	1 905	2 000	2 100	2 700
Infrastructure - Electricity			-	254	232	1 343	1 343	1 343	110	90	120
Generation				254	232	1 343	1 343	1 343	110	90	120
Transmission & Reticulation											
Street Lighting											
Infrastructure - Water			-	-	-	-	-	-	-	-	-
Dams & Reservoirs											
Water purification											
Reticulation											
Infrastructure - Sanitation			-	-	-	-	-	-	-	-	-
Reticulation											
Sewerage purification											
Infrastructure - Other			-	1 927	2 284	7 810	5 783	5 783	4 500	-	-
Waste Management					122	600	600	600	4 500		
Transportation							-				
Gas							-				
Other		3		1 927	2 162	7 210	5 183	5 183			
Community			1 210	1 921	3 401	-	-	-	200	4 000	-
Parks & gardens			1 028		372						
Sportsfields & stadia				1 597	1 689						
Swimming pools				-	8						
Community halls			182	-	-						
Libraries				-	-						
Recreational facilities				-	923						
Fire, safety & emergency				131	411					4 000	
Security and policing				-	-						
Buses				-	-						
Clinics				-	-						
Museums & Art Galleries				-	-						
Cemeteries				175	0						
Social rental housing				-	-						
Other				18	-				200		
Heritage assets			-	-	-	-	-	-	-	-	-
Buildings											
Other		9									
Investment properties			-	-	-	-	-	-	-	-	-
Housing development											
Other											
Other assets			-	715	5 511	5 535	6 252	6 252	4 150	6 130	10 310
General vehicles				175	2 882	3 080	3 347	3 347	1 370	1 490	-
Specialised vehicles			-	-	-	-	-	-	-	-	-
Plant & equipment				312	991	200	650	650	550	110	120
Computers - hardware/equipment				-	1 389	2 255	2 155	2 155	1 200	2 380	3 120
Furniture and other office equipment				228	245		100	100	30	40	50
Abattoirs											
Markets											
Civic Land and Buildings											
Other Buildings									1 000	1 310	7 020
Other Land											
Surplus Assets - (Investment or Inventory)											
Other					3					800	
Agricultural assets			-	-	-	-	-	-	-	-	-
List sub-class											
Biological assets			-	-	-	-	-	-	-	-	-
List sub-class											
Intangibles			-	-	-	-	-	-	-	-	-
Computers - software & programming											
Other (list sub-class)											
Total Capital Expenditure on renewal of existing assets	1		7 234	15 749	56 806	43 819	33 511	33 511	29 710	26 619	28 577
Specialised vehicles			-	-	-	-	-	-	-	-	-
Refuse											
Fire											
Conservancy											
Ambulances											
Renewal of Existing Assets as % of total capex			21.5%	42.4%	96.6%	60.6%	42.0%	42.0%	38.4%	36.1%	37.9%
Renewal of Existing Assets as % of deprecn"			40.0%	60.5%	166.1%	153.8%	91.4%	91.4%	76.3%	64.4%	65.4%

15.3 Repairs and maintenance expenditure by asset class

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/2016			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		6 456	11 706	13 596	15 176	16 969	16 969	19 413	18 254	19 275
Infrastructure - Road transport		4 331	8 421	9 780	10 917	12 526	12 526	14 287	13 131	13 866
Roads, Pavements & Bridges		4 331	8 421	9 780	10 917	12 526	12 526	14 287	13 131	13 866
Storm water		1 328	1 400	1 626	1 814	1 893	1 893	2 184	2 183	2 305
Infrastructure - Electricity		1 328	1 400	1 626	1 814	1 893	1 893	2 184	2 183	2 305
Generation		1 328	1 400	1 626	1 814	1 893	1 893	2 184	2 183	2 305
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water										
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation										
Reticulation										
Sewerage purification										
Infrastructure - Other		797	1 886	2 190	2 445	2 550	2 550	2 943	2 941	3 105
Waste Management		779	704	817	912	952	952	1 098	1 097	1 159
Transportation		6	6	7	8	8	8	9	9	10
Gas										
Other		12	1 176	1 366	1 524	1 590	1 590	1 835	1 834	1 936
Community		2 982	2 180	2 532	2 826	2 948	2 948	2 255	3 399	3 589
Parks & gardens		515	735	853	952	994	994		1 145	1 210
Sportsfields & stadia										
Swimming pools		10	11	13	15	15	15	18	18	19
Community halls		1 312	78	91	101	106	106	122	122	129
Libraries		7	9	10	11	12	12	14	14	14
Recreational facilities		16	11	13	15	15	15	18	18	19
Fire, safety & emergency		408	513	595	665	693	693	800	799	844
Security and policing		681	789	916	1 023	1 067	1 067	1 231	1 230	1 299
Buses										
Clinics		28								
Museums & Art Galleries		1	4	5	6	6	6	7	7	7
Cemeteries		4	30	35	39	41	41	47	47	49
Social rental housing										
Other										
Heritage assets										
Buildings										
Other										
Investment properties										
Housing development										
Other										
Other assets		575	1 149	1 335	1 490	1 620	1 620	1 794	1 792	1 893
General vehicles										
Specialised vehicles		99	148	172	192	200	200	231	231	244
Plant & equipment										
Computers - hardware/equipment		78	80	93	104	109	109	125	125	132
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings		74	285	330	369	385	385	444	444	469
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		324	636	739	825	926	926	993	992	1 048
Agricultural assets										
List sub-class										
Biological assets										
List sub-class										
Intangibles										
Computers - software & programming										
Other (list sub-class)										
Total Repairs and Maintenance Expenditure	1	10 013	15 035	17 463	19 491	21 537	21 537	23 462	23 446	24 757
Specialised vehicles										
Refuse										
Fire										
Conservancy										
Ambulances										
R&M as a % of PPE		2.0%	2.5%	2.7%	3.4%	3.1%	3.1%	3.2%	3.0%	3.0%
R&M as % Operating Expenditure		5.0%	6.4%	6.2%	6.1%	6.2%	6.2%	6.6%	6.3%	6.3%

15.4 Future financial implications of the capital budget

Vote Description R thousand	Ref	2016/17 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Present value
Capital expenditure	1							
Vote 1 - EXECUTIVE AND COUNCIL		3 224	1 688	2 620	2 600	30		
Vote 2 - BUDGET AND TREASURY OFFICE		1 381	235	280	40	30		
Vote 3 - CORPORATE SERVICES		7 052	7 078	13 431	9 554	19 474		
Vote 4 - PLANNING AND DEVELOPMENT		25	30	35	30	20		
Vote 5 - HEALTH		1 540	50	20	15	15		
Vote 6 - COMMUNITY AND SOCIAL SERVICES		1 185	700	305	150	150		
Vote 7 - HOUSING		–	–	–				
Vote 8 - PUBLIC SAFETY		440	4 540	115	60	95		
Vote 9 - SPORTS AND RECREATION		10 370	11 560	7 450	5 600	9 100		
Vote 10 - WASTE MANAGEMENT		4 940	1 150	250	50	100		
Vote 11 - ROAD TRANSPORT		45 562	45 651	49 839	62 933	56 343		
Vote 12 - ELECTRICITY		1 560	1 065	1 050	1 945	1 950		
Vote 13 - AIR TRANSPORT		–	–	–				
Vote 14 - WORKSHOP		9	–	–				
Vote 15 - [NAME OF VOTE 15]		–	–	–				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		77 287	73 747	75 395	82 977	87 307	–	–
Net Financial Implications		77 287	73 747	75 395	82 977	87 307	–	–

16. LEGISLATION COMPLIANCE STATUS

The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) became effective on 1 July 2004. Elements of the act have been phased in according to capacity of each municipality – high, medium and low.

The LG:MFMA has introduced significant changes to the financial management of local government. One of the main changes in budget preparation is that the single year, line item budgeting – which was a common feature of the previous practices – has been replaced by multi-year budgeting at a more strategic level.

The LG: MFMA aim to modernize budget and financial practices at all spheres of government, thereby facilitating effective service delivery. The general public plays an important role in ensuring a budget is set to reflect targeted service delivery. For example, during the budget preparation process, Section 21 of the LG: MFMA requires communities and residents within the municipal jurisdiction to be part of the Budget and Integrated Development Planning (IDP) processes. Section 8 of this report describes how this has been achieved.

Communities can also monitor the performance of the approved budget through regular reporting of the Service Delivery & Budget Implementation Plan (SDBIP) and the performance contracts of senior manager. These are prepared at the same time as the budget, thus ensuring alignment at the start of the financial year. Section 15 of this report provides some detail of the departmental SDBIP's that have been prepared. These highlight the key service delivery and performance targets that senior managers are accountable for.

Some of the key budget reforms encapsulated within the LG: MFMA, that uMlalazi has applied, are:

- Forward looking, multi-year budgets with strategic focus;
- Clear links between budget allocations and agreed policies;
- Improved integration of budget and planning processes;
- New budget process timetable with earlier adoption of budgets by council and earlier audits of Annual Financial Statements;
- Improved in-year reporting according to vote/function;
- Improved financial management information;
- Service Delivery and Budget Implementation Plans (SDBIP) developed and approved with budgets;
- New accounting norms and standards;
- Improvements to procurement and Supply Chain Management policies and processes;
- Establishment of a new audit committee and oversight process reforms and;
- Focus on performance measurement,

The LG: MFMA implementation is monitored through regular reporting including:

- Quarterly reviews of LG: MFMA implementation plans and 12 urgent implementation priorities checklist;
- Monthly returns to National Treasury and monthly reports to Mayor and Council, as required by Section 71;
- Publication of information on the municipalities website (www.umlalazi.org.za) and
- Mid-year budget and performance assessment as required by Section 72

The Budget and Medium Term Revenue and Expenditure Framework (MTREF) was prepared taking cognizance of the contents of the Municipal budget and reporting regulations, Local Government: Municipal Finance Management Act No 56 of 2003, Circular No. 78 and the LG:MFMA Budget Formats Guide received from National Treasury.

The objective of the regulations is to secure sound and sustainable management of the budgeting and reporting practices of municipalities and municipal entities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting processes of those institutions and other relevant matters as required by the Act.

OTHER LEGISLATION

The other important pieces of legislation when considering the budget processes are:

- The Division of Revenue Bill 2010 and
- The Municipal Systems Act (Act no. 32 of 2000), together with the Municipal Systems Amendment Act (Act No. 44 of 2003)

Division of Revenue Bill 2010

This Bill issued in February annually, provides the three year allocations from national government to local government. It sets out all the reporting requirements and conditions relating to the grants. Alongside this Provincial Departments allocate funding to local government by means of a provincial gazette.

These allocations are used when preparing the three year budget in order to comply with Section 18 of the LG: MFMA (relating to reasonably anticipated revenues to be collected). Additional allocations – both nationally and provincially – are sometimes made to municipalities. However, these are not included in the original budget as the allocations are not certain. When confirmed they will be included in an adjustments budget in accordance with Section 28 of the LG: MFMA.

The Municipal Systems Act (Act no. 32 of 2000) and the Municipal Systems Amendment Act (Act No. 44 of 2003)

These acts form the basis of the links between the budget and the Integrated Development Plan (IDP). In particular, the aspects that have been considered in preparing the budget are:

- Community participation (Chapters 4 & 5);

Performance management (Chapter 6) providing also the basis for measurable performance objectives in the Service Delivery and Budget Implementation Plan (SDBIP); and Tariff Policy (Chapter 8).

17. MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I **Thembinkosi Simon Mashabane**, Municipal Manager of the uMlalazi Municipality,

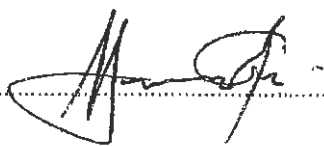
Hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act to a certain extent with the budget document as set out in schedule A of the

regulations including the main tables (A1-A10), and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name..... **THEMBINKOSI SIMON MASHABANE**.....

Municipal Manager of **uMLALAZI MUNICIPALITY**.....

Signature.....



Date.....

13/05/2016

CONTACT DETAILS

uMlalazi Municipality

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Annexure 1

uMLALAZI MUNICIPALITY



TARIFFS 2016/2017

PROPERTY RATES			
Categories			
		2015/2016	2016/2017
Residential property		1:1	1:1
Commercial and Industrial property		1:1.25	1:1.25
Mining		1:2	1:2
Vacant Land		1:2	1:2
State and Education		1:1.25	1:1.25
Public Benefit Organisation		1:0.25	1:0.25
Agricultural property		1:0.25	1:0.25
Public service infrastructure		1:0.25	1:0.25
TARIFFS FOR PROPERTY RATES			
Category		2015/2016	2016/2017
		c/R	c/R
Residential property		0.9341	0.9902
Commercial and Industrial property		1.1677	1.2377
Mining		1.8683	1.9803
Vacant Land		1.8683	1.9803
State and Education		1.1677	1.2377
Public Benefit Organisation		0.2335	0.2475
Agricultural property		0.2335	0.2475
Public service infrastructure		0.2335	0.2475

ELECTRICITY SUPPLY			
SECTION A: CHARGES FOR ELECTRICITY			
		2015/2016	2016/2017
1	Eshowe Consumers		
1.1	Domestic consumers, churches and old age homes		
	Monthly service charge (which charge excludes any kilowatt hour of electricity consumed)	244.12	263.65
	Consumption charge		
	INCLINING BLOCK TARIFF SYSTEM		
	0 - 50 Kwh	0.90	0.97
	51 - 350 Kwh	1.14	1.23
	351- 600 Kwh	1.59	1.72
	601> Kwh	1.62	1.75
1.2	Businesses, clubs, boarding houses, hotels, school and hostels, Government /NPA		
1.2.1	Monthly service charge (which charge excludes any kilowatt hour of electricity consumed)		
	For a single-phase connection per month	313.78	338.88
	for a three-phase connection per month	895.17	966.78
1.2.2	Consumption charge	1.53	1.65
1.3	Large consumers		
1.3.1	Monthly service charge (which charge excludes any kilowatt hour of electricity consumed)	512.57	553.58
	Consumption charge for KVA	208.13	224.78
1.3.2	Consumption charges	0.84	0.91
2	King Dinuzulu Consumers		
2.1	Monthly service charge		
	Domestic	245.18	264.80
	Business	899.07	971.00
2.2	Consumption Charge		
	Domestic		
	INCLINING BLOCK TARIFF SYSTEM		
	0 -50 kWh	0.90	0.97
	51-350 kWh	1.14	1.23
	351-600 Kwh	1.59	1.72
	601>Kwh	1.62	1.75
	Businesses	1.53	1.65
3	Users where prepaid meters have been installed		
3.1	Consumption charge- Domestic		
	INCLINING BLOCK TARIFF SYSTEM		
	0-50 Kwh	0.90	0.97
	51-350 Kwh	1.14	1.23
	351-600 Kwh	1.61	1.74
	601>Kwh	1.86	2.01
3.2	Consumption charge-Commercial (single phase)	1.91	2.06
3.3	Consumption charge-Commercial (three phase)		
3.4	Low Cost Housing		
	INCLINING BLOCK TARIFF SYSTEM		
	0-50 Kwh	0.88	0.96
	51-350 Kwh	1.10	1.19
	351-600 Kwh	1.26	1.36
	601> Kwh	1.35	1.46
4	Connection fees for the supply of electricity to Building Contractors		
4.1	Connection fees other than 3 phase		
	Connection fees (including disconnection)	497.51	537.31
	Plus all kilowatt hours consumed at Maximum period of supply 6 months	1.65	1.79
4.2	3 phase connections		
	Connection fee (including disconnection)	975.45	1 053.48
	Plus all kilowatt hours consumed at no Maximum period of supply 6 months	1.71	1.85
5	Availability Charge		
5.1	Availability Charge is payable in respect of all properties, which can be yet or not served by the electricity reticulation network .	244.80	264.38
	INCLUSIVE OF VAT		

SECTION B: CONSUMER DEPOSIT			
1	Domestic Supply	2015/2016	2016/2017
	Ametuer sporting clubs		6 000.00
	Charitable institutions		6 000.00
	Churches		6 000.00
	Government dwellings and institutions		6 000.00
	Private dwelling houses		6 000.00
	Retirement and care centres		6 000.00
	Townhouses		6 000.00
	Residential Flats	5 000.00	6 000.00
1.1	For Churches and Other organisations who require temporary supply for a specific, Where the consumption is estimated at not more than 300 Kwh the duration of the said event	-	1 500.00
2	Low Cost Housing Schemes		
2.1	where valuation of property is below R100 000.00 (receives free refuse)		
2.2	where valuation of property exceed R100 000.00	700.00	920.00
3	Households With Pre Paid Electricity	700.00	920.00
3.1	Properties Occupied by Tenants		
	Deposit to be equivalent to three times the refuse charge		
4	Commercial supply		
4.1	Deposit to be based on three times the average monthly account over a period of three months of a similar business or three times the average account over a period of three months of the previous consumer		
4.2	Should the business to be operated be of the same type or per discretion of the chief financial officer or his assignee with a minimum of	8 000.00	9 000.00
4.3	Bank guarantees are only acceptable if the Minimum Deposit required is in excess of R 100 000.00		
5	Commercial Consumer with Pre Paid Electricity		
5.1	refuse removal service at least one day per week	1 500.00	2 000.00
5.2	refuse removal service at least six day removal per week	2 500.00	3 000.00
	INCLUSIVE OF VAT		

SECTION C: SUNDRY ELECTRICITY CHARGES		2015/2016	2016/2017
1	Testing Fee		
1.1	Special fee for testing installation at consumers request	174.00	184.00
1.2	Meter test		-
	Prepayment meter testing fee	444.00	470.00
	single phase conventional meter	594.00	629.00
	400V Three phase conventional meter	768.00	814.00
	11 kv meter	cost+10%	cost+10%
1.3	Inspection fee, after failure upon first test		-
1.4	fee for checking meter reading (which fee will be refunded should the reading be found to be in corrected)	287.00	304.00
2	Disconnection charge		
2.1	Final Notice of demand		
2.1.1	Properties within the Municipality	209.00	221.00
2.1.2	Properties outside the Municipality(Plus 32c/km)	209.00	221.00
2.1.3	Where the disconnection is performed by a private contractor at the request of the manager financial services	418.00	443.00
3	Reconnection charge (penalties for services that may be disconnected if not paid on due date)		-
3.1	for none -payment of account	209.00	221.00
3.2	for other reasons, per each occasion	209.00	221.00
3.3	Connection Charge-after office hours	615.00	651.00
4	SERVICE CONNECTION FEES (NEW TARIFFS)		
4.1	Single phase prepayment connection (60 amp)	1 983.00	2 045.00
4.2	Single phase prepayment connection (Sunnydale 20 amp)	980.00	980.00
4.3	Upgrade single phase prepayment connection (20 amp -60 amp)(KDS /Sunnydale)	12 570.00	12 948.00
4.4	Alternative single phase prepayment connection including ready board and cable	4 055.00	4 178.00
4.5	Single phase meter conversion from conventional to prepayment (Domestic and Small Business)	1 355.00	1 394.00
4.6	Three phase meter conversion from conventional to three phase prepayment (Domestic and Small Business)	4 620.00	4 758.00
4.7	Single phase conventional connection (see council resolution)	1 605.00	1 655.00
4.8	Second single phase prepayment connection on the same or subdivided premises	15 690.00	16 163.00
4.9	Single phase meter conversion from conventional to three phase conventional (domestic and Small Business)	16 510.00	17 005.00
4.10	Single phase meter conversion from conventional to three phase prepayment meter (Domestic and Small Business)	18 145.00	18 688.00
4.11	Domestic conversion from single to three phase maximum demand on connection (100 amp)	18 850.00	19 413.00
4.12	Domestic three phase conventional connection with a maximum demand of 100 amp	18 295.00	18 842.00
4.13	Domestic three phase prepayment connection	5 400.00	4 895.00
4.14	New 80A single phase supply or conversation from 60A to 80A	5 400.00	5 564.00
4.15	Non-domestic three phase connection with a maximum demand of 100 Amp	22 535.00	23 210.00
4.16	Conversion from 80A single phase prepayment to 3 phase prepayment connection	12 437.00	12 810.00
4.17	Three phase connection with a max demand greater than 60Amp(100A Eshowe) all cost plus 10% of all equipment necessary plus the cost of the infrastructure contribution for additional electricity above that being existing or allowed based on the zoning and premises		
5	Tampering Fee	2 290.00	2 427.00
6	Pre Paid Electricity Identification Card	50.00	50.00
7	Moving /Relocation of a payment meter	810.00	858.00
8	Replacement of damaged or burnt-out prepayment meter single phase	915.00	969.00
9	Replacement of damaged or burnt-out prepayment meter three phase	3 585.00	3 800.00
10	Certificate of compliance -revisit fee	605.00	641.00
	INCLUSIVE OF VAT		

WASTE MANAGEMENT		
SECTION C: REFUSE REMOVAL FEES		
1	ESHOWE	
		2015/2016
		2016/2017
1.1	Domestic (removal service one day per week) Per refuse receptacle, per month	142.54
	151.09	
	Properties Occupied by tenants : refuse charges to based on a number of tenants (per property)	
1.2	Removal of refuse from business and other premises	
	Per refuse receptacle for a service of at least one day per week per month	217.41
	230.45	
	Per refuse receptacle for a six days per week clearance ,per month	548.92
	581.86	
1.3	King Dinuzulu Users	
	Residential	142.54
	151.09	
	Business	217.41
	230.45	
1.4	Mass Container removal service	
	per container ,per month	4 589.62
	4 865.00	
	Mass Container removal service per container where the consumer supplies the container for 12 months	813.02
	861.80	
	Thereafter per month	4 589.62
	4 865.00	
	2 Mass containers + 4 Receptacle	10 841.16
	11 491.63	
1.5	Schools	
	Removal service one day per week	219.84
	233.03	
	Per refuse receptacle for a six days per week clearance ,per month at schools	548.92
	581.86	
1.6	Hire of garden refuse container 'skip' for 2 day period	370.00
	392.20	
1.7	Removal of builders' rubble from properties per load of 2,3m or part hereof	774.00
	820.44	
1.8	Per polythene plastic bags	4.00
	4.24	
1.9	One bag of polythene black plastic bags(20 bags)	45.00
	47.70	
1.10	Making use of transfer station	
	Businesses(including garden service)	220.00
	233.20	
	Builders rubble	220.00
	233.20	
1.11	Lot Clearing per lot	cost + 10%
	cost + 10%	
2	MTUNZINI	
	Removal of household ,domestic or business refuse from all properties /for 2 removals per week, per month or part thereof -	
2.1	Domestic including clubs	142.54
	151.09	
2.2	Hotels and supermarkets	890.38
	943.80	
2.3	Other food handling businesses	548.68
	581.86	
2.4	Non -food handling businesses	217.41
	230.45	
2.5	schools	219.83
	233.02	
2.6	Caravan parks for every 10 sites or part thereof	149.77
	158.75	
2.7	For every additional removal per load or part hereof	217.41
	230.45	
2.8	General Residential all sites per unit	149.77
	158.75	
2.9	Prawn farm	217.41
	230.45	
2.10	Use of refuse dump by instances outside municipal area, per month or part thereof	1 638.92
	1 737.26	
2.11	Removal of refuse other than household or domestic per load thereof	219.00
	232.14	
2.12	Removing of building rubble, per load thereof	773.00
	819.38	
2.13	Removal of Garden refuse per black bag	28.00
	29.68	
2.14	Making use of transfer station	
	Businesses(including garden services)	223.00
	236.38	
	Builders rubble	223.00
	236.38	
2.15	Plot Clearing per lot	Cost+10%
3	GINGINDLOVU	
3.1	Commercial per month	217.41
	230.45	
	Commercial (bulk) per month	167.55
	177.60	
	Mass Container removal service	10 841.16
	11 491.63	
3.2	Residential Per month	142.54
	151.09	
3.3	Garden Refuse per black bag or part thereof	28.00
	29.68	
3.4	Rubble Removal per load or part thereof	773.00
	819.38	
3.5	Lot Clearing per lot	Cost+10%
	Cost+10%	
	INCLUSIVE OF VAT	

1	ADVERTISEMENTS	2015/2016	2016/2017
	Displaying of advertisements		
	General advertisement of events, meetings ,Billboards, direction signage and any other signage determined by the council may be subjects to the services of an Advertisement Consultant Company. Application fee for all Advertising	120.00	127.20
1.1	Posters and Flags (per poster or flags per month)		-
	General	20.00	21.20
	Welfare Organisation	2.00	2.12
	Political(per announced election period)	2.00	2.12
1.2	Per banner per month	141.00	149.46
1.3	Billboards -per Bill Board annual charge irrespective if display period is less than one year	17 679.00	18 739.74
1.4	Deposit of 50% of quantities display-such deposit shall be retained by Council to cover costs incurred if advert are not removed within the determined time period as stipulated in the Advertising Bylaws.		
2	HANDBILLS		
2.1	For the permission to distribute handbills within the Municipality ,Per month	706.00	748.00
2.2	For the permission to distribute handbills within the Municipality ,Per year	4 714.00	4 996.00
3	COMMUNITY HALLS		
3.1	HIRE FEE FOR COMMUNITY HALLS		
	General functions including weddings,concerts,concerts,dances,exhibitions ,tournament and any other function which derives a financial benefit	2 357.00	2 498.00
	Religious Services	234.00	248.00
	Public Meetings	234.00	248.00
	Hire of community Halls facilities by non residential for any purposes		
	Political Meetings	294.00	311.00
	For any other purpose approved by the Council per day	1 413.00	1 497.00
	Hire of Premier conference Centre	1 178.00	1 248.00
3.2	DEPOSIT FEE FOR COMMUNITY HALLS		
3.2.1	General functions including weddings,concerts,concerts,dances,exhibitions ,tournament and any other function which derives a financial benefit	4 125.00	4 372.00
3.2.2	Religious Services	234.00	248.00
3.2.3	Public Meetings	234.00	248.00
3.2.4	For any other purpose approved by the Council per day	942.00	998.00
3.2.5	Political Meetings	589.00	624.00
	INCLUSIVE OF VAT		

4	TOWN PLANNING	2015/2016	2016/2017
4.1	Consideration for approval of subdivisions/consolidations		
4.1.1	Basic fee	1 294.00	1 371.00
4.1.2	Additional fee ,per subdivision (Remainder to be considered a subdivision)	129.00	136.00
4.1.3	Amendments of subdivision in process	258.00	273.00
4.1.4	Application for registration of right of way servitudes/long term lease . Administration fee (note -this excludes legal fees)	258.00	273.00
4.1.5	Application for phasing /cancellation of approved layout plans Administration fee	1 943.00	2 059.00
4.2	Application for relaxation of building line and /or side and rear spaces in terms of town planning clauses (per application)	825.00	874.00
4.3	Rezoning Applications		
4.3.1	Rezoning of unused public open spaces in line with Council's Policy (note advertisement ,closure and subdivision/consolidation fees would still apply)		
4.3.2	Other rezoning		
	(i) less than one ha	2 592.00	2 747.00
	(ii) 1 hectare and over but less than 5 hectares	3 240.00	3 434.00
	(iii)5 hectares and over but less 10 hectares	4 714.00	4 996.00
	(iv)10 hectares and over	6 482.00	6 870.00
4.4	Zoning certificates	58.00	61.00
4.5	Special Consent		
4.5.1	Consent to operate home industry without additional employment opportunities (Category A)	647.00	685.00
4.5.2	All other consent use application (category B)	1 294.00	1 371.00
4.6	Removal of Restrictive Conditions of Title	1 294.00	1 371.00
4.7	Closure of Public Street/opens spaces -Administration Fee	305.00	323.00
4.8	Administration of DFA Applications:		
	(i) less than one ha	2 592.00	2 747.00
	(ii) 1 hectare and over but less than 5 hectares	3 240.00	3 434.00
	(iii)5 hectares and over but less 10 hectares	4 714.00	4 996.00
	(iv)10 hectares and over	6 482.00	6 870.00
4.9	Development outside of schemes areas		
	(i) less than one ha	3 889.00	4 122.00
	(ii)5 hectares and over but less than 10 hectares	5 893.00	6 246.00
	(iii)10 hectares and over	9 075.00	9 619.00
4.10	Public notice		
4.10.1	Notices in the legal section	2 592.00	2 747.00
4.10.2	Notices in the body of the paper	6 482.00	6 870.00
4.11	Hearings		
4.12	Fines -as per section 75 and 89 of the planning and development act		
4.12.1	finas as per section 75		
4.12.2	Additional Penalties in accordance with section 76		
4.12.3	Section 89 Civil penalty		
	in light of the introduction of the new planning and development Act in April 2010,the tariffs have had to be revised so as to respond to the planning processes including there		
	in .in that regard ,all proposal now read as per tariff. In the instance that multiple applications are lodged for consideration of council, individual tariffs will be applicable to each type of application included on the application form. Application previous known as 'consent uses' will now be known as Formal Authority throughout the councils jurisdiction. this is in line with PDA . Application previously known as ' special consent '		
	will be now known as Consent throughout the councils jurisdiction. This is the new line with the PDA		
	INCLUSIVE OF VAT		

5	ENCROACHMENT- SIGNS	2015/2016	2016/2017
	Street Encroachment		
	the charges for the street encroachment shall be payable annually in advance per sign as follows		
5.1	Veranda posts, each	388.00	411.00
5.2	verandah,ground floor .per m or part thereof and including cantilevers overhanging the pavement or footpaths ,per m or part thereof	28.00	29.00
5.3	Sign boards on, or overhanging the footpaths or pavement, each	589.00	624.00
5.4	Building Rubble, sand and the like left on the pavement per day or part thereof	141.00	149.00
5.5	Display of signs for hotels, boarding houses, guest houses and bed and breakfast (maximum 4 signs per establishment),per annum	530.00	561.00
5.6	Any other signage excluded from 5.5, per sign per month	234.00	248.00
6	MISCELLANEOUS SERVICES		
	The following fee shall be paid to the Manager Financial Services in advance for the production of documents, provision of certificates and extract information from records		
6.1	Search fee per account, document or file produced for inspection or duplicate account made	58.00	61.00
6.2	Certified copy of extract from council's minutes and or hearing per page	58.00	61.00
6.3	Rates certificate ; manual RCC	400.00	424.00
	electronic RCC	165.00	174.00
6.4	Another certificate for each certificate	63.00	66.00
6.5	Standards and other bylaws per copy	95.00	100.00
	extract bylaws per page or part thereof	23.00	24.00
6.6	Valuation roll per town	883.00	935.00
6.7	Valuation roll per folio	23.00	24.00
6.8	Voters roll per folio	23.00	24.00
6.9	General Photocopy fees	8.00	8.00
6.10	Clearing of vacant lots	1 178.00	1 248.00
6.11	Tenders Documents -unless specifically prescribed	600.00	636.00
6.13	Any occupier or owner of a stand within uMlalazi Municipality will, subject to non-compliance or default to a statutory notice directing him/her to cut clear a stand, have a stand ,have the stand cut by Umlalazi Municipality and the same costs placed on his/her consumer account	655.00	694.00
6.14	Application for revaluation where the property owner did not object during the objection stage (Fee non refundable)	1 000.00	1 060.00
7	LIBRARIES	2015/2016	2016/2017
7.1	Overdue library material excluding videos	6.00	6.00
7.2	Overdue video material	7.00	7.00
7.3	Overdue library books including talking books	6.00	6.00
7.4	Overdue DVD material	8.00	8.00
7.5	Overdue Technicon Books	8.00	8.00
7.6	Lost book identity card	47.00	49.00
7.7	Lost patron card	47.00	49.00
7.8	Lost Technicon card	47.00	49.00
7.9	2 notification letter /post card	24.00	25.00
7.1	Photocopies of Library material per page	1.50	0.50
8	PROMOTION OF ACCESS TO INFORMATION		
8.1	Application Fee	59.00	62.00
8.2	for every A4 photocopy relating to the promotion of access to information act	6.00	6.00
8.3	for a copy in a computer readable format:- compact disk	77.00	81.00
	copy of an audio record	77.00	81.00
8.4	to search for the record for disclosure for each hour excluding the first hour	47.00	49.00
8.5	the actual postal fee is payable when a copy of a record must be posted ton a requester		
9	PUBLIC TOILETS		
9.1	Usage of public toilet per person	4.50	5.00
9.2	collection of water for cooking ,washing cars or other per litre	2.50	3.00
10	SWIMMING POOLS SUNNYDALE		
10.1	Day ticket- children	6.50	7.00
10.2	Day ticket- Adults	9.50	7.00
10.3	Season tickets - Children (abolishment of season tickets- a turn style system has been implemented)	59.00	-
	Season tickets- Adults (abolishment of season tickets- a turn style system has been implemented)	88.00	-
	INCLUSIVE OF VAT		

11	GARDEN REFUSE AND BUILDING RUBBLE TARIFFS		
11.1	Garden Refuse - per ton load or part thereof	65.00	68.00
11.2	Commercial- per ton load	235.00	249.00
11.3	Building Rubble- per ton load	235.00	249.00
11.4	Mixed domestic waste -per ton load	112.00	118.00
11.5	Timber /tree stumps -per ton load	235.00	249.00
12	BUILDING PLAN TARIFFS		
12.1	NEW WORKS		
12.1.1	for new building or additions to existing building per square metre		
12.1.2	for the first 20 metre square	234.00	248.00
12.1.3	Each additional 10 m square or part thereof up to 5000 m square metre	146.00	154.00
12.1.4	Each additional 10 m square or part thereof more then 5000 m square and up to 15000 m	62.00	65.00
12.1.5	Each additional 10 m or part thereof more than 15 000 m square metre	39.00	41.00
12.2	AS BUILT OR AMENDED PLANS		
12.2.1	for as built plans,25% of existing submission fee ,plus full tariff for additional new works	25%of fee plus full tariff	25%of fee plus full tariff
12.3	INTERNAL ALTERATIONS TO EXISTING BUILDINGS		
12.3.1	Any form of internal alterations to existing buildings of any nature not defined as "as built " or amended plans "(i.e. plans passed and structures which have already passed occupation requirements)		
12.3.2	Fixed tariff: Structures up to 500 square metre	356.00	377.00
12.3.3	Structures up to 5000 square metre	703.00	745.00
12.3.4	Structures exceeding 5000 square metre	1 117.00	1 184.00
12.3.5	for the renewal of plans have expired		
12.3.6	for swimming pools	356.00	377.00
12.3.7	for boundary walls /fences	356.00	377.00
12.3.8	for any other plan submitted other than described above ,a fixed tariff of	468.00	496.00
12.3.9	for a permit for minor structures in terms of Act 103 of 1977 , a fixed tariff of	233.00	246.00
13	PRODUCTION OF MAPS /BUILDING PLAN		
13.1	OZALID COPIER		
	A 1 PAPER	44.00	46.00
13.2	HP COPIERS BLACK/WHITE PRINTS		
13.2.1	A 4	22.00	23.00
13.2.2	A 3	27.00	28.00
13.2.3	A2&A1	44.00	46.00
13.2.4	A0	66.00	69.00
13.3	HP COPIERS COLOUR PRINTS		
13.3.1	A 4	32.00	33.00
13.3.2	A 3	55.00	58.00
13.3.3	A2&A1	155.00	164.00
13.3.4	A0	211.00	223.00
13.4	LAMINATE COPIES		
13.4.1	A2&A1	55.00	58.00
13.4.2	A0	77.00	81.00
13.5	AO SCANNER,COPIER &PRINTER		
13.5.1	A0 PAPER	44.00	46.00
13.5.2	A1 PAPER	27.00	28.00
13.5.3	A0 PLASTIC	94.00	99.00
13.5.4	A1 PLASTIC	55.00	58.00
14	ENGINEERING INSPECTIONS AND APPLICATIONS		
14.1	P.T.O. Applications	412.00	436.00
14.2	Sewer Applications	233.00	246.00
14.3	Encroachments(per side)	211.00	223.00
14.4	Site visit for boundaries line (per peg)	211.00	223.00
15	ROAD CROSSING RE-INSTATEMENTS		
15.1	Premix surfacing per square metre	133.00	140.00
15.2	Base (G2 crusher run)per square metre	144.00	152.00
	INCLUSIVE OF VAT		

16	CEMETERY TARIFFS	2015/2016	2016/2017
16.1	TARIFFS FOR RESIDENTS		
16.1.1	Burial for stillborn/infant	781.00	827.00
16.1.2	Burial for person under the age of 12 years	904.00	958.00
16.1.3	Burial for person over the age of 12 years	1 178.00	1 248.00
16.1.4	Burial Double deep	2 004.00	2 124.00
16.1.5	Burial Casket	2 004.00	2 124.00
16.1.6	Double grave	2 357.00	2 498.00
16.1.7	Niche-Wall of Remembrance	390.00	413.00
16.2	TARIFFS FOR NON-RESIDENTS		
16.2.1	Burial for stillborn/infant	1 826.00	1 935.00
16.2.2	Burial for person under the age of 12 years	2 714.00	2 876.00
16.2.3	Burial for person over the age of 12 years	5 072.00	5 376.00
16.2.4	Double grave	7 664.00	8 123.00
16.2.5	Niche-Wall of Remembrance	647.00	685.00
16.3	GENERAL		
16.3.1	Opening a grave for exhumation	9 428.00	9 993.00
16.3.2	Permission to erect memorial stone	329.00	348.00
16.3.3	Proof must be handed in that the deceased was resident in the Council's area of jurisdiction for continuous period exceeding 3 months		
16.3.4	Burial plot sizes: adult -2.5m*1.5m*1.8m deep		
16.3.5	Burial plot sizes : child -1.5m*1.0*1.8m* deep		
16.3.6	Burial aperture sizes : adult - 2.2m *0.9m*1.8m deep		
16.3.7	Burial aperture sizes : child - 1,2m*0,7m*1,8m		
17	TAXI RANK TARIFFS		
	Permit per Annum	116.00	122.00
18	POUND TARIFFS		
18.1	Transportation Fee		
	Amount payable to Pound Master:		
	The kilometre tariff for the vehicle which, in the discretion of the pound keeper, is reasonably necessary to transport the relevant animal to the pound, as determined by the Automobile of South Africa (AA) from time to time.		
	Amount payable to Council:	Nil	
18.2	Pound fees		
	Amount payable to Pound Master:		
	a) R30.00 per day for any pig, sheep or goat		
	Amount payable to Council:	16.00	16.00
	b) R70.00 per day for any other animal		
	Amount payable to Council:	52.00	55.00
18.3	Other costs		
	Amount payable to Pound Master:		
	All other actual costs including tending, dipping or spraying, wound dressing, medication, veterinarian and any other costs incurred.		
	Amount payable to Council:	Nil	
	INCLUSIVE OF VAT		

Annexure 2

uMLALAZI MUNICIPALITY



mSCOA PROJECT PLAN

Awareness	
Senior management awareness by 31 March 2016	
Council Resolution on Mscoa by 30 April 2016	

Governance	
Establishment of Project Management Office - 31 March 2016	
Preparation and finalization of project plan - 31 March 2016	
Establishment pf forums and determine impact on business policies, progress, procedures & risk management assessment - April 2016	

Project initiation	
Vendor feedback and integration into project plan	
Align function to municipal standard classification and identify anomalies March - June 2016	
Line by line comparison of item segment (revenue, expenses, assests) and identify anomalies - March - June 16	
Define the funding sources and linking to item segment - March - june 2016	
Define regional indicators and provide to Mscoa project term March - june 2016	
Define operational and capital projects including repairs and maintenance March - Sept 2016	
Using the methodology of the municipality, update costing methodology March - Sept 2016	
Consider the impact on more than one segment - PPE Rregister (module) to be aligned to project and item March - Sept 2016	

Specific Requirements - System Applications	
Conversion of openning balances : Historical information and data - March to June 2016	
Conversion of budget to Mscoa table March - June 2016	
Clear suspense accounts, clearing accounts, control accounts and interface accounts March - June 2016	

Understanding reporting requirements - test, analyse and understand content. Ensure political and administrative leadership have a conceptual understanding:

Review and workshop officials and Council on budget reporting format, AFS, section 71 and 72 reports monthly reporting June 2016 to June 2017

maintenance of mscoa requirements

Maintain institutional knowledge updated and relevant in the changing environment through engagement with National and Provincial Treasuries, workshops, information sessions and reading communications such as MFMA Circulars - ongoing

Attend system vendor user forums and Provincial CFO forums - ongoing

Development of training plan and schedule training sessions based on user specific requirements - ongoing

Provide constant feedback to political and administrative leadership on a quarterly basis - ongoing

migration to mscoa classification (system management)

Prepare and finalise take on balances and historical information by dec 2016

Prepare detailed migration project plan (vendor) and MOU Dec 2016 - Feb 2017

Compile detailed budget - mscoa classification across segment (2017/18 MTREF) - Dec 2016 - Marc 2017

Testing and user acceptance - Jan - June 2017

other - mscoa related

Development of mscoa risk register by 30 April 2016

Table the risk register to council for consideration by 31 May 2016

Quarterly report to council in respect of mscoa risk mitigating measures

Assessment of current ICT infrastructure, and identification of future demands

Municipality Name: uMlalazi Municipality

Date of adoption: 15 March 2016

Version: 1

mSCOA High level Project Implementation Plan

Name of Project Manager: Mr. T Mnguni

Activity No.	Activity Name	Start Date	Finish Date	Submission Date to PT	Progress comments	Action Steps to address backlogs	Evidence of completion	Responsible person
1	Identification of Stakeholders and Project Team							
	Appoint a project sponsor, project manager and project office in writing	14-Mar-16			Project Manager has been appointed		Council minutes/MM approval	
	Establish an operational project steering committee with senior representation from all directorates within the municipality	14-Mar-16			Done		Council minutes/MM approval	
	Develop and approve the terms of reference for the Project Steering Committee, including the roleplayers, frequency of meetings, scope of meetings, etc.	14-Mar-16			Done		Approved Terms of reference	
	Incorporate mSCOA responsibilities in the Performance Agreements, Performance Evaluation Templates and other applicable documentation for the identified officials	14-Mar-16			Will Communicate this item with Manager Performance		Performance agreements	
2	Risk Management and Awareness							
	Table the mSCOA Regulation to Council	24-Jun-14			Done		Minutes of Council Resolution	
	Table to Council a High Level Project Plan and obtain Approval for Implementation	01-Jul-16			Must still be reviewed before it is tabled		Minutes of Council Resolution	
	Ensure that SCOA is adopted as a permanent standing item on MANCO agenda for Tracking Progress and Noting Institutional Risk.	01-Mar-16			Done		Agenda and Minutes of MANCO meetings	
	Undertake a risk matrix assessment and table to Council a risk register	01-Jul-16			To be tabled together with the high level Project Plan		Risk assessment, risk register and Minutes of Council	
	Document Council response and reactions to Risk Identification and Response Plans	01-Aug-16			To be done once the risk matrix assessment has been completed		Minutes of Council	
	Provide for mSCOA regarding Projects and Funding (SDBIP emphasis to be given from project inception to implementation)	01-Jul-16			To be done once the SDBIP has been adopted		SDBIP and adopted Municipal Budget	
	Engage with Senior Managers on the SCOA Regulations and Way Forward for the Municipality.	01-Mar-16			On-going		Minutes of MANCO and other briefing meeting with Senior Managers	
	Obtain buy-in from senior managers regarding active involvement in the set-up and design of the project implementation plan. NB: Project Manager to take responsibility for the plan, risk and issue register and inform council periodically	01-Mar-16			On-going		Input from Senior Managers	
	Project Manager to develop detailed implementation plan, and maintain issue register	01-Mar-16			On-going		Concept implementation plan and issue log/register	
	Table to Council a detailed project implementation plan prior to commencing with appointment of service provider	01-Aug-16					Council Resolution for approval	
	Submit project implementation plan to Provincial Treasury for comment	01-Aug-16					Comments from Provincial Treasury	
	Review risk register on a quarterly basis and monitor action plans	01-Mar-16					Risk register and proof of implementation of actions	

Municipality Name: uMlalazi Municipality

Date of adoption: 15 March 2016

Version: 1

mSCOA High level Project Implementation Plan

Name of Project Manager: Mr. T Mnguni

Activity No.	Activity Name	Start Date	Finish Date	Submission Date to PT	Progress comments	Action Steps to address backlogs	Evidence of completion	Responsible person
3	Understanding mSCOA and impact on business processes							
	Identify and appoint individuals responsible and accountable per mSCOA Segment	01-Mar-16			Budget Officer, Senior Manager Revenue and Deputy CFO		CFO/Project Champion approval	
	Compare the municipality's current chart on an account by account level to mSCOA (all 7 segments) and identify requirements of mSCOA	01-Apr-16			The mSCOA Project Team has started with this process, and will give update on weekly basis		Chart comparison	
	Consider impact on business processes and develop plan to implement address change: - Impact on municipal Functions(Vote Structure, Internal Work Flows, Costing Methodology, Stationery etc) - Impact on Operational and Capital Projects(Setting Up Project based Budgeting) - Consider Impact on more than one segment, i.e HR system, Billing, Asset(PPE to be aligned to Project and Item	01-Mar-16			On-going		Business process review and action plan	
	Assess the impact of mSCOA requirements on subsystems and include such an impact in the planning process for system modification	01-Mar-16			On-going		Subsystem review and action plan	
	Workshop internal staff on Standard Chart of Accounts and new requirements, including business process changes (change mindset)	01-Sep-16			Planned to be done in September 2016		Attendance register	
	Table to Council the findings of business process changes as well as the Implementation Plan for approval	01-Sep-16			Planned to be done in September 2016		Council Minutes	
	Submit to Provincial Treasury Findings of the Assessment as well as the Action Plans	01-Oct-16			Planned to be done in October 2016		Evidence of submission to PT	
4	Other Specific Requirements							
	Clearing of long outstanding suspense and other related account balances, with no or minimal movement, i.e - Includes Control Accounts - Databases(Including Debtors)	01-Oct-16			Planned to be done in October 2016		Reconciliations, journals and Council approval for write-offs	
	Budget Conversion to mSCOA Tables	01-Nov-16					Budget per mSCOA items	
	Ongoing Staff Training(PT Training as well as ingoing internal training)	01-Mar-16					Attendance Register	
	Introduce initiatives and actions to get the institution to understand mSCOA (consider respective organisational structures) - Ongoing	01-Mar-16					Attendance register/minutes of engagements	
	Study the project detail document, other mSCOA documents in Provincial & National Treasury's website and provide feedback to the team and internal staff and incorporate in project plans	01-Mar-16					Information feedback sessions to team and internal staff; project plan updates	

Activity No.	Activity Name	Start Date	Finish Date	Submission Date to PT	Progress comments	Action Steps to address backlogs	Evidence of completion	Responsible person
5	Appointment of Service Provider and Management processes(only to be undertaken once a directive in this regard has been received from National Treasury							
	Follow SCM processes on appointment of vendor				Will enter into a transversal contract as per Circular 80 issued by NT		Minutes of SCM committees, approval by MM and SLA	
	Engagement meeting with Service Provider, clarify roles and responsibilities, and timeframes						Minutes of meeting	
	Finalise the Memorandum of agreement or Service level agreement for approval by the Accounting officer						Memorandum of agreement	
	Establish vendor target dates for converting data and implementation - incorporate in project plan						Project Plan	
	Compile a detailed data migration project plan with input from all internal representatives and the service provider						Detailed data migration plan	
	Assessment of current IT infrastructure requirements and modifications required						Infrastructure assessment	
	Attend and Participate in Vendor forums and progress meetings						Minutes of meeting	
6	Additional matters for consideration							
6.1	Municipalities Affected by the Demarcation Process should consider the above in relation to the guidance provided by Section 14 Notice, i.e involvement of Political and Technical Change Committee							
6.2	Municipalities with municipal entities should consider the above framework with the entity in mind, which would necessitate involvement of the officials/board of the entity in the process							

uMLALAZI MUNICIPALITY



mSCOA IMPLEMENTATION PROGRESS REPORT

mSCOA WEEKLY PROGRESS REPORT

DETAILS	COMMENTS	PERIOD
The CFO, Budget Officer and Senior Manager Expenditure attended a non-accredited training that was conducted by Invictus on behalf of National Treasury. The training was about the process of classifying the current chart of accounts	The main objective of mSCOA was outlined at this training, it was further outlined that NT will in future process their own reports from municipalities systems as the reporting will be the same or similar	27 October 2015 to 29 October 2015
The Senior Manager Expenditure, Budget Officer and IT Support Officer attended a presentation where the mSCOA classification tool was demonstrated	A Company called Invictus did a presentation on a classification tool which it has developed, and it was explained that this classification tool is unique and can simplify classification of chart of accounts for any municipality	01-Feb-16
The Senior Manager Expenditure, Budget Officer, Internal Audit Manager and Internal Auditor attended mSCOA forum, where among other issues the issue of procurement process for mSCOA compliant financial system was discussed. During the discussion it was mentioned that National Treasury will appoint a pannel of service providers and municipalities will enter into a transvesal contract with any service provider that will have been appointed by Treasury	This workshop (mSCOA forum) covered a wide range of mSCOA aspects, as well as issues contained in circular 8 publishe by National Treasury	05-Apr-16
The Senior Manager Expenditure, Senior Manager Revenue and the Budget Officer attended Abakus user Group, where feedback was given by Fujitsu on municipalities that were pilot sites for mSCOA compliant financial system.	Fujitsu mentioned that they will submitting their tender documents to be appointed as pert of panel of service providers, and they are confident that their system (Abakus, which is our current system) will make the cut and be mSCOA compliant. They will however bid with another system which they will call Abakus square which is same system as Promis	11 April 2016 to 13 April 2016
The Senior Manager Expenditure, Senior Manager Revenue and the Budget Officer visited Nelson Mandela Bay Metropolitan Municipality, as this municipality is one of the pilot municipalities. The purpose was to learn as to how did they do the classification of their chart of accounts, and to basically obtain guidance of formation of the mSCOA Project team etc.	At the Nelson Mandela Metro we met with the mSCOA Project Leader and we discussed various issues regarding the classification of current chart of accounts, and we were advised that we must with defining our current chart of accounts before the actaul classification.	14-Apr-16

<p>The Budget Officer and the Senior Manager Expenditure started with defining the current chart of accounts, and at this stage have only defined Employee related costs. And this will be sent to the mSCOA Project Manager of Nelson Mandela Bay for review before the entire chart is defined. The purpose of this is to obtain opinion from a person who has done it on whether this defining is in order.</p>	<p>On April 21 we started with defining employee related costs and have sent the same to the mSCOA Project Manager of Nelson Mandela Metro for review and advise. Once we have obtained her opinion we will then proceed, and we will be working 4 hours per day from 14:00 to 18:00, and we will also utilise Saturday to catch up, further communication to follow once we have started</p>	<p>25-Apr-16</p>
<p>The Budget Officer, Senior Manager Expenditure and Senior Manager Revenue will meet with the mSCOA Project Manager of Nelson Mandela Metropolitan Municipality for the purposes of starting with defining the current chart of accounts and classification</p>	<p>This exercise will enable the mSCOA Project Team of uMlalazi Municipality to practically define the current chart of accounts and possibly classify it with the municipality that has already done it.</p>	<p>05-May-16</p>

uMLALAZI MUNICIPALITY



SERVICE LEVEL STANDARDS

Province: Municipality(KZN284) - Schedule of Service Delivery Standards Table 2015/2016

Description	Service Level
Standard	Service Level
Solid Waste Removal	
Premise based removal (Residential Frequency)	Weekly
Premise based removal (Business Frequency)	Weekly
Bulk Removal (Frequency)	6 days per week
Removal Bags provided(Yes/No)	Yes
Garden refuse removal Included (Yes/No)	Yes
Street Cleaning Frequency in CBD	Everyday
Street Cleaning Frequency in areas excluding CBD	Everyday
How soon are public areas cleaned after events (24hours/48hours/longer)	24hours
Clearing of illegal dumping (24hours/48hours/longer)	24hours
Recycling or environmentally friendly practices(Yes/No)	Yes
Licenced landfill site(Yes/No)	Yes
Water Service	
Water Quality rating (Blue/Green/Brown/N0 drop)	N/A
Is free water available to all? (All/only to the indigent consumers)	N/A
Frequency of meter reading? (per month, per year)	N/A
Are estimated consumption calculated on actual consumption over (two month's/three month's/longer period)	N/A
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	N/A
Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)	N/A
One service connection affected (number of hours)	N/A
Up to 5 service connection affected (number of hours)	N/A
Up to 20 service connection affected (number of hours)	N/A
Feeder pipe larger than 800mm (number of hours)	N/A
What is the average minimum water flow in your municipality?	N/A
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	N/A
How long does it take to replace faulty water meters? (days)	N/A
Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)	N/A
Electricity Service	
What is your electricity availability percentage on average per month?	100
Do your municipality have a ripple control in place that is operational? (Yes/No)	No
How much do you estimate is the cost saving in utilizing the ripple control system?	N/a
What is the frequency of meters being read? (per month, per year)	Per month
Are estimated consumption calculated at consumption over (two month's/three month's/longer period)	Three Months
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	One Month
Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)	Immediately
Are accounts normally calculated on actual readings? (Yes/no)	Yes
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	Yes
How long does it take to replace faulty meters? (days)	one day
Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)	Yes
How effective is the action plan in curbing line losses? (Good/Bad)	Good
How soon does the municipality provide a quotation to a customer upon a written request? (days)	2 days
How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days)	5 days
How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (working days)	10 days
How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)	1 day

Sewerage Service	
Are your purification system effective enough to put water back in to the system after purification?	N/A
To what extend do you subsidize your indigent consumers?	N/A
How long does it take to restore sewerage breakages on average	
Severe overflow? (hours)	N/A
Sewer blocked pipes: Large pipes? (Hours)	N/A
Sewer blocked pipes: Small pipes? (Hours)	N/A
Spillage clean-up? (hours)	N/A
Replacement of manhole covers? (Hours)	N/A
Road Infrastructure Services	
Time taken to repair a single pothole on a major road? (Hours)	40 minutes
Time taken to repair a single pothole on a minor road? (Hours)	15 minutes
Time taken to repair a road following an open trench service crossing? (Hours)	1 hour
Time taken to repair walkways? (Hours)	5 hours
Property valuations	
How long does it take on average from completion to the first account being issued? (one month/three months or longer)	Longer
Do you have any special rating properties? (Yes/No)	
Financial Management	
Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)	Decrease
Are the financial statement outsources? (Yes/No)	No
Are there Council adopted business process structuring the flow and managemet of documentation feeding to Trial Balalnce?	Yes
How long does it take for an Tax/Invoice to be paid from the date it has been received?	30 days
Is there advance planning from SCM unit linking all departmental plans qaterly and annually including for the next two to three years procurement plans?	Yes Annually
Administration	
Reaction time on enquiries and requests?	One day
Time to respond to a verbal customer enquiry or request? (working days)	One day
Time to respond to a written customer enquiry or request? (working days)	One day
Time to resolve a customer enquiry or request? (working days)	1 Hour
What percentage of calls are not answered? (5%,10% or more)	5%
How long does it take to respond to voice mails? (hours)	5 minutes
Does the municipality have control over locked enquiries? (Yes/No)	N/A
Is there a reduction in the number of complaints or not? (Yes/No)	Yes
How long does in take to open an account to a new customer? (1 day/ 2 days/ a week or longer)	1 Day
How many times does SCM Unit, CFO's Unit and Technical unit sit to review and resolve SCM process delays other than normal monthly management meetings?	Not in place
Community safety and licensing services	
How long does it take to register a vehicle? (minutes)	15 minutes
How long does it take to renew a vehicle license? (minutes)	15 minutes
How long does it take to issue a duplicate registration certificate vehicle? (minutes)	Two weeks
How long does it take to de-register a vehicle? (minutes)	20 minutes
How long does it take to renew a drivers license? (minutes)	30 minutes
What is the average reaction time of the fire service to an incident? (minutes)	15minutes
What is the average reaction time of the ambulance service to an incident in the urban area? (minutes)	N/A
What is the average reaction time of the ambulance service to an incident in the rural area? (minutes)	N/A
Economic development	
How many economic development projects does the municipality drive?	80
How many economic development programme are deemed to be catalytic in creating an enabling environment to unlock key economic growth projects?	3
What percentage of the projects have created sustainable job security?	20%
Does the municipality have any incentive plans in place to create an conducive environment for economic development? (Yes/No)	Yes
Other Service delivery and communication	
Is a information package handed to the new customer? (Yes/No)	No
Does the municipality have training or information sessions to inform the community? (Yes/No)	Yes
Are customers treated in a professional and humanly manner? (Yes/No)	Yes

**uMLALAZI
MUNICIPALITY**



**2016/2017
SERVICE DELIVERY AND BUDGET
IMPLEMENTATION PLAN
(SDBIP)**

2016/2017 SDBIP - (MUNICIPAL MANAGER)

	STRATEGIC Objective [R]	Municipal KPA [R]	KPI	Unit of measurement	KPI Calculation Type [R]	KPI Target Type [R]	Annual Target	BUDGET	Q1	Q2	Q3	Q4
	List	List	500 characters	500 characters	List	List	Number		Number	Number	Number	Number
MM1	To improve Service Delivery and the image of uMlalazi Municipality	Municipal Transformation and Institutional Development	Fill all funded prioritized vacant posts in the organogram by 30 June 2017	No. of funded prioritized vacant posts filled by 30 June 2017	Accumulative	Number	2	R 5 000 000	0	2	0	0
MM2	To improve Service Delivery and the image of uMlalazi Municipality	Municipal Transformation and Institutional Development	Sign performance agreements with all section 56/57 managers by 31 July 2016	Number of performance agreements signed by 31 July 2016	Accumulative	Number	5	R 4 560	5	0	0	0
MM3	Effective and efficient Municipal Administration & Communication	Municipal Transformation and Institutional Development	Compile at least 2 Municipal newsletters by 30 June 2017	Number of municipal newsletters compiled by 30 June 2017	Accumulative	Number	4	R 2 000 000	1	1	1	1
MM4	Strengthen and improve employment equity in the municipality	Municipal Transformation and Institutional Development	2 people from employment equity target groups to be employed in the three highest levels of management in compliance with approved equity plan by 30 June 2016	Number of people employed in terms of EEP by 30 June 2017	Carry Over	Number	2	R 4 880	0	0	0	2
MM5	To improve Contract management	Municipal Transformation and Institutional Development	Conduct needs assessments for use of Service Providers and submit to exco by 31 December 2016	Needs assessment completed and submitted to exco by 31 December 2016	Accumulative	Number	13	R 19 280	3	4	3	3
MM6	To improve Service Delivery and the image of uMlalazi Municipality	Municipal Transformation and Institutional Development	Conduct community satisfaction survey and submit report to EXCO by 31 March 2017	Reports submitted to EXCO on the customer satisfaction surveys by 31 March 2017.	Stand-Alone	Number	1	R 4 880	0	0	0	1

Municipal Manager Service Delivery Budget Implementation Plan for 2016/17

	STRATEGIC Objective [R]	Municipal KPA [R]	KPI	Unit of measurement	KPI Calculation Type [R]	KPI Target Type [R]	Annual Target	BUDGET	Q1	Q2	Q3	Q4
MM7	To improve Service Delivery and the image of uMlalazi Municipality	Municipal Transformation and Institutional Development	Conduct staff satisfaction survey and submit report to EXCO by 31 March 2017	Reports submitted to EXCO on the staff satisfaction surveys by 31 March 2017.	Stand-Alone	Number	1	R 4 880 0	0	0	0	1
	Effective and efficient Municipal Administration & Communication	Municipal Transformation and Institutional Development	Compile at least 2 Municipal newsletters by 30 June 2017	Number of municipal newsletters compiled by 30 June 2017	Accumulative	Number	4	R 2 000 000	1	1	1	1
MM8	To provide Fee Basic Services to all indigent households	Basic Service Delivery and Infrastructure Development	Provide free basic refuse services to 12 000 indigent households in rural areas with available resources by 30 June 2017	Number of households provided with access to free basic waste collection services by 30 June 2017.	Carry Over	Number	12000	R 1 868 850	12000	12000	12000	12000
MM9	To provide Fee Basic Services to all indigent households	Basic Service Delivery and Infrastructure Development	Provide free basic electricity services to 3000 indigent households by 30 June 2017 with available resources	Number of households provided with access to free basic electricity services by 30 June 2017.	Carry Over	Number	3000	R 1 193 180	3000	3000	3000	3000
MM10	To plan and support the acceleration of sustainable human settlements	Basic Service Delivery and Infrastructure Development	Review Housing Sector Plan and submit to Council by 30 June 2017	Housing Sector Plan reviewed and submitted to council by 30 June 2017	Carry Over	Number	1	R 4 880 0	0	0	0	1

Municipal Manager Service Delivery Budget Implementation Plan for 2016/17

	STRATEGIC Objective [R]	Municipal KPA [R]	KPI	Unit of measurement	KPI Calculation Type [R]	KPI Target Type [R]	Annual Target	BUDGET	Q1	Q2	Q3	Q4
MM11	Facilitate the Implementation of Operation Sukuma Sakhe (Flagship Programme)	Basic Service Delivery and Infrastructure Development	Submit quarterly consolidated reports to EXCO on mentorship assistance provided to all War Rooms in uMlalazi Municipality in terms of Operation Sukuma Sakhe programme	Number of reports submitted to EXCO by 30 June 2017	Accumulative	Number	4	R 200 000	1	1	1	1
MM12	To contribute towards the reduction of unemployment	Local Economic Development	Number of temporary job opportunities created through EPWP projects and other operational projects by 30 June 2017	Number of temporary jobs opportunities created and maintained by 30 June 2017	Accumulative	Number	1650	R 2 924 000	1650	1650	1650	1650
MM13	Advance and maintain the financial viability of the Municipality	Municipal Financial Viability and Management	Achieve a debtors payment percentage of 95% at 30 June 2017 (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off / Billed Revenue x 100)	Payment % achieved at 30 June 2017	Stand-Alone	Percentage	95	R 157 010	95	95	95	95
MM14	Advance and maintain the financial viability of the Municipality	Municipal Financial Viability and Management	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2017 ((Available cash+ investments)/ Monthly fixed operating expenditure)	Ratio achieved as at 30 June 2017 ((Available cash+ investments)/ Monthly fixed operating expenditure)	Last Value	Number	3.00	R 157 010	3.00	3.00	3.00	3.00

Municipal Manager Service Delivery Budget Implementation Plan for 2016/17

	STRATEGIC Objective [R]	Municipal KPA [R]	KPI	Unit of measurement	KPI Calculation Type [R]	KPI Target Type [R]	Annual Target	BUDGET	Q1	Q2	Q3	Q4
MM15	Improve the financial performance of the municipality	Municipal Financial Viability and Management	Limit unaccounted for electricity to less than 8% by 30 June 2017 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated} × 100}	% unaccounted electricity at 30 June 2017 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated} × 100}	Accumulative	Number	8	R 78 500	8	8	8	8
MM16	Optimise budget implementation in the municipality	Municipal Financial Viability and Management	Spend at least 90% of the Capital budget amount by 30 June 2017 (Actual expenditure/Approved capital budget)	Percentage of capital budget spent on capital projects by 30 June 2017	Accumulative	Percentage	90	R 715 740	25	50	75	90
MM17	Optimise budget implementation in the municipality	Municipal Financial Viability and Management	Spend at least 90% of the furniture & Equipment budget by 30 April 2017 (Actual expenditure/Approved budget)	Percentage of capital budget spent on capital projects by 30 June 2017	Accumulative	Percentage	90	R 100 000	0	50	75	90
MM18	Optimise budget implementation in the municipality	Municipal Financial Viability and Management	Identify Special programmes to be implemented with available budget and submit plan to Portfolio Committee by 31 December 2016	Special programmes identified and plan submitted to Portfolio Committee by 31 December 2016	Accumulative	Number	1	R 450 000	0	1	0	0
MM19	Effective Municipal Oversight	Good Governance and Public Participation	Review Top Layer SDBIP and submit to Council by 24 February 2017	Top Layer SDBIP reviewed and submitted to Council by 24 February 2017	Stand-Alone	Number	1	R 4 880	0	0	1	0

Municipal Manager Service Delivery Budget Implementation Plan for 2016/17

	STRATEGIC Objective [R]	Municipal KPA [R]	KPI	Unit of measurement	KPI Calculation Type [R]	KPI Target Type [R]	Annual Target	BUDGET	Q1	Q2	Q3	Q4
MM20	Effective Municipal Oversight	Good Governance and Public Participation	Spend at least 90% of the budget on the installation of the Performance, Compliance and Audit Software by 31 December 2016.(Actual expenditure/Approved budget)	Percentage of budget spent on IT software - Performance by 31 December 2016.	Accumulative	Percentage	90	R 650 000	0	90	0	0
MM21	Effective Municipal Oversight	Good Governance and Public Participation	Submit Quarterly reports on the actual performance achieved against the Top layer SDBIP targets to Council	Number of reports submitted to Council by 30 June 2017	Accumulative	Number	4	R 4 880	1	1	1	1
MM22	Effective Municipal Oversight	Good Governance and Public Participation	Submit the annual performance report to AG by 31 August 2016	Annual performance report submitted to Auditor General by 31 August 2016	Stand-Alone	Number	1	R 19 280	1	0	0	0
MM23	Effective Municipal Oversight	Good Governance and Public Participation	Submit the annual financial statements by 31 August 2016 to the Office of the Auditor-General	Financial statements submitted by 31 August 2016 to the Office of the Auditor-General	Stand-Alone	Number	1	R 19 280	1	0	0	0
MM24	Effective Municipal Oversight	Good Governance and Public Participation	Submit Oversight Report of annual report to council by 31 March 2017	oversight report submitted to Council by 31 March 2017	Stand-Alone	Number	1	R 4 880	0	0	1	0
MM25	To effectively Implement the Back to Basics programme	Good Governance and Public Participation	Submit quarterly reports to exco on the implementation of Back to Basics programme	Number of reports submitted to EXCO by 30 June 2017	Accumulative	Number	4	R 4 880	1	1	1	1

Municipal Manager Service Delivery Budget Implementation Plan for 2016/17

	STRATEGIC Objective [R]	Municipal KPA [R]	KPI	Unit of measurement	KPI Calculation Type [R]	KPI Target Type [R]	Annual Target	BUDGET	Q1	Q2	Q3	Q4
MM26	To Obtain Clean Audit	Good Governance and Public Participation	Submit reports to EXCO on the measures taken to ensure that matters raised in the 2015/16 Audit have been resolved in order to ensure that the Municipality receives / maintains a Clean Audit in 2016/2017	Number of reports submitted to the Executive Committee by 31 March 2017	Accumulative	Number	1	R 4 880 0	0	0	1	0
MM27	Mitigate the Impact of HIV/Aids in the Municipality area	Good Governance and Public Participation	Coordinate the meeting of the uMlalazi Aids Council	Number of uMlalazi Aids Council meetings held by 30 June 2017	Accumulative	Number	4	R 450 000	1	1	1	1
MM28	Mitigate the Impact of HIV/Aids in the Municipality area	Good Governance and Public Participation	Review HIV/Aids Plan and submit to exco by 30 June 2017	HIV/Aids Plan reviewed and submitted to exco by 30 June 2017	Stand-Alone	Number	1	R 450 000	0	0	0	1
MM29	To reduce Risk to the Organisation	Good Governance and Public Participation	Review Enterprise Risk Plan and submit to exco by 30 June 2017	Enterprise Risk Plan reviewed and submitted to exco by 30 June 2017	Stand-Alone	Number	1	R 19 280	0	0	0	1
MM30	To reduce Risk to the Organisation	Good Governance and Public Participation	Review Fraud Risk Plan and submit to exco by 30 June 2017	Fraud Risk Plan reviewed and submitted to exco by 30 June 2017	Stand-Alone	Number	1	R 19 280	0	0	0	1

Municipal Manager Service Delivery Budget Implementation Plan for 2016/17

	STRATEGIC Objective [R]	Municipal KPA [R]	KPI	Unit of measurement	KPI Calculation Type [R]	KPI Target Type [R]	Annual Target	BUDGET	Q1	Q2	Q3	Q4
MM31	Ensure that public participation structures are established, capacitated and functional	Good Governance and Public Participation	Submit quarterly reports to EXCO on the functionality of all Ward Committees (include training and development)	No of reports submitted to EXCO by 30 June 2017	Accumulative	Number	4	R 1 000 000	1	1	1	1
MM32	To promote International & National Relations	Good Governance and Public Participation	Submit a report to MCOR by 30 June 2017 on the progress made with the Twinning partnership with Songdal Municipality (Norway)	Reports submitted to MCOR by 30 June 2017	Accumulative	Number	1	0 0	0	1	0	0
	Development of SMART Organisational Performance Management Systems	Good Governance and Public Participation	Monitor the performance of the Service Provider for the Website and ensure that monthly reports are attached to invoices	Monitor the performance of the Service Provider for the Website and ensure that monthly reports are attached to invoices	Accumulative	Number	12	3	3	3	3	3
MM33	To promote integrated development planning	Cross Cutting Issues	Review uMlalazi Municipality IDP for 2017/2018 and submit to Council by 30 June 2017	uMlalazi Municipality IDP for 2017/2018 reviewed and submitted to Council by 30 June 2017	Stand-Alone	Number	1	R 300 000	0	0	0	1

2016/2017 SDBIP - PLANNING & DEVELOPMENT

REF	STRATEGIC Objective [R]	Municipal KPA [R]	KPI	Unit of measurement	KPI Calculation Type [R]	KPI Target Type [R]	Annual Target	Revised Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	BUDGET	VARIANCE	PLANNED MEASURES FOR IMPROVEMENT
	List	List	500 characters	500 characters	List	List	Number	Number	Target	Target	Target	Target			
DPD 1	Review the Housing Sector Plan by 30 June and submit quarterly reports on implementation of housing projects to Portfolio Committee	Basic Service Delivery and Infrastructure Development	Submit quarterly reports on implementation of housing projects to Portfolio Committee	Number of reports submitted to the Portfolio Committee by 30 June 2017 on the implementation of housing projects	Accumulative	Number	4		1	1	1	1	R 20 815		
DPD 2	Review the Housing Sector Plan by 30 June and submit quarterly reports on implementation of housing projects to Portfolio Committee	Basic Service Delivery and Infrastructure Development	Ensure the review of Housing Sector Plan by EXCO by 30 June 2017	Number of reports submitted to EXCO by 30 June 2017 on approval of Housing Sector Plan Review	Carry Over	Number	1		0	0	0	1	R 250 000		
DPD 3	Review the Housing Sector Plan by 30 June and submit quarterly reports on implementation of housing projects to Portfolio Committee	Basic Service Delivery and Infrastructure Development	Facilitate quarterly housing forum meetings to ensure monitoring of progress on housing projects	No of housing forum meetings held by 30 June 2017	Accumulative	Number	4		1	1	1	1	R 48 320		
DPD 4	Review the Housing Sector Plan by 30 June and submit quarterly reports on implementation of housing projects to Portfolio Committee	Basic Service Delivery and Infrastructure Development	Finalise 120 outstanding transfers to approved beneficiaries for Ging & Mpushini Park by 31 December 2016	Number of outstanding housing transfers finalised by 31 December 2016	Stand-Alone	Percentage	120		0	120	0	0	R 0		

DPD 5	Formalise trading areas in the Municipality area	Basic Service Delivery and Infrastructure Development	Provide 15 commuter and trading shelters in KDS by 30 April 2017	Number of shelters provided by 30 April 2017	Accumulative	Percentage	15		0	0	0	15	R 500 000		
DPD 6	To ensure that businesses within uMlalazi Municipality are licensed through the LED department	Local Economic Development	Develop a database of businesses licenced in uMlalazi Municipality and submit quarterly reports to Portfolio Committee	Database of licenced businesses developed and updated report submitted quarterly to Portfolio Committee	Carry Over	Number	2		1	1	1	1	R 61 050		
DPD 7	Local Economic Development	Local Economic Development	Assist 10 youth BEE entrepreneurs with starting growing businesses e.g. Research, business plans and skills development by 30 June 2017.	Number of youth entrepreneurs assisted by 30 June 2017	Accumulative	Number	10		2	3	3	2	R 700 000		
DPD 8	To promote Local Economic Development by implementing LED & Tourism initiatives across Municipal area with available resources	Local Economic Development	Ensure the implementation of LED & Tourism initiatives across Municipal area with available resources and report quarterly to the Portfolio Committee	No of reports submitted to Portfolio Committee by 30 June 2017 on the implementation of LED & Tourism initiatives across Municipal area with available resources	Accumulative	Number	4		1	1	1	1	R 3 495 000		

	Local Economic Development	Local Economic Development	Assist 5 Tourism BEE entrepreneurs with starting growing businesses e.g. Research, business plans and skills development by 30 June 2017.	Number of Tourism BEE entrepreneurs assisted by 30 June 2017	Accumulative	Number	5		1	2	2	0	R 700 000		
	Local Economic Development	Local Economic Development	Carry out 5 workshops to promote skills development and support the Tourism SMME business sector by 30 June 2017.	Number of Workshops hosted by 30 June 2017	Accumulative	Number	5		1	1	2	1	R 700 000		
	Local Economic Development	Local Economic Development	Carry out 4 tourism promotional activities in the print and other media by 30 June 2017.	Number of activities by 30 June 2017.	Accumulative	Number	4		1	1	1	1	R 700 000		
DPD 10	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of the furniture & equipment budget by 31 December 2016	Percentage of the furniture & equipment budget spent by 31 December 2016	Carry Over	Percentage	90		0	90	0	0	R 103 500		

DPD 13	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of the Mobile office budget by 30 November 2016	Percentage of Mobile office budget spent by 30 November 2016	Carry Over	Percentage	90		0	90	0	0	R 280 000		
DPD 14	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of the Building Plans Software budget by 31 October 2016	Percentage of the Building Plans Software budget spent by 31 October 2016	Carry Over	Percentage	90		0	90	0	0	R 450 000		
DPD 15	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of the livestock pens budget by 30 November 2016	Percentage of livestock pens budget spent by 30 November 2016	Carry Over	Percentage	90		0	90	0	0	R 350 000		
	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of the concrete signage - tourism budget by 30 November 2016	Percentage of concrete signage - tourism budget spent by 30 November 2016	Carry Over	Percentage	90		0	90	0	0	R 100 000		
	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of the log bird hides - tourism budget by 30 April 2017	Percentage of log bird hides - tourism budget spent by 30 April 2017	Carry Over	Percentage	90		0	0	0	90	R 180 000		
	Ensure that public participation structures are established, capacitated and functional	Good Governance and Public Participation	Hold meetings with stakeholders and ward committees to communicate the IDP process plan	Number of meetings held by 30 September 2016	Accumulative	Number	27		27	0	0	0			

DPD 17	To promote integrated development planning	Cross Cutting Issues	Review uMlalazi Municipality IDP for 2017/2018 and submit to Council by 30 June 2017	uMlalazi Municipality IDP for 2017/2018 reviewed and submitted to Council by 30 June 2017	Accumulative	Number	1		0	0	0	1	R 338 350		
DPD 18	To prepare Land Use Management Scheme for Rural and Urban Areas	Cross Cutting Issues	Compile a Town Planning Register for the 2016/2017 financial year on all Town Planning applications being processed and their status and submit quarterly reports to the Portfolio Committee	Town Planning Register compiled and submitted quarterly to the Portfolio Committee	Carry Over	Number	4		1	1	1	1	R 224 080		
DPD 19	To participate in the management of the coast via the Coastal Management Working Group	Cross Cutting Issues	Report quarterly to Portfolio Committee on the management of the coast via the Coastal Management Working Group	No of reports submitted to Portfolio Committee by 30 June 2017 on management of the coast via the Coastal Management Working Group	Accumulative	Number	4		1	1	1	1	R 3 060		
DPD 20	To develop uMlalazi IDP	Cross Cutting Issues	Ensure the uMlalazi IDP is approved by 30 June 2017	Number of reports submitted to Council on the adoption of the IDP review	Carry Over	Number	1		0	0	0	1	R 55 340		
DPD 21	To develop a database of Municipal owned land	Cross Cutting Issues	Ensure database of Municipal owned land is approved by EXCO by 30 June 2017.	Number of reports submitted to EXCO by 30 June 2017 on approval of Municipal land database.	Carry Over	Number	1		0	0	0	1	R 55 340		

2016/2017 SDBIP - CORPORATE SERVICES

	STRATEGIC Objective [R]	Municipal KPA [R]	Strategy	Indicator	KPI Calculation Type [R]	KPI Target Type [R]	Annual Target	Revised Target	Q1 - Target	Q2 - Target	Q3 - Target	Q4 - Target	BUDGET	VARIANCE	PLANNED MEASURES FOR IMPROVEMENT
	List	List	500 characters	500 characters	List	List	Number	Number	Number	Number	Number	Number			
DCS 1	To implement and support internship, learnership and in-service training programmes	Municipal Transformation and Institutional Development	Submit quarterly reports to the LLF on internship, learnership and in-service trainings/programmes implemented	Number of reports submitted to the LLF by 30 June 2017	Accumulative	Number	4		1	1	1	1	R 180 000		
	To improve Service Delivery and the image of uMlalazi Municipality	Municipal Transformation and Institutional Development	Review the Organisational structure and submit report to council by 30 June 2017	Organisational structure reviewed and report submitted to council by 30 June 2017	Accumulative	Number	1		0	0	0	1			
DCS 2	Undertake training for staff and Councillors as per skills development plan by 30 June 2017	Municipal Transformation and Institutional Development	Training to be provided to 50 staff by 30 June 2017	Number of staff trained by 30 June 2017	Accumulative	Percentage	50		0	20	50	0	R 738 990		
DCS 3	Undertake training for staff and Councillors as per skills development plan by 30 June 2017	Municipal Transformation and Institutional Development	Update and submit Workplace skills plan to LGSETA by 30 May 2017	WSP updated and submitted to LGSETA by 30 May 2017	Stand-Alone	Number	1		0	0	0	1			
DCS 4	Undertake training for staff and Councillors as per skills development plan by 30 June 2017	Municipal Transformation and Institutional Development	Identify training needs within the Corporate Services department & submit to HR for inclusion in WSP by 31 March 2017	Training needs identified and submitted to HR by 31 March 2017 for inclusion in WSP	Carry Over	Number	1		0	0	1	0			

Corporate Services Service Delivery Budget Implementation Plan for 2016/17

	Strengthen and improve employment equity in the municipality	Municipal Transformation and Institutional Development	Establish an Employment Equity Committee by 31 December 2016	Employment Equity committee established by 31 December 2016	Stand-Alone	Number	1		0	1	0	0			
	To improve Service Delivery and the image of uMlalazi Municipality	Municipal Transformation and Institutional Development	Conduct community satisfaction survey and submit report to EXCO by 31 March 2017	Reports submitted to EXCO on the customer satisfaction surveys by 31 March 2017.	Stand-Alone	Number	1		0	0	1	0			
	To improve Service Delivery and the image of uMlalazi Municipality	Municipal Transformation and Institutional Development	Conduct staff satisfaction survey and submit report to EXCO by 31 March 2017	Reports submitted to EXCO on the staff satisfaction surveys by 31 March 2017.	Stand-Alone	Number	1		0	0	1	0			
DCS 5	To ensure the functionality of the ICT Systems and submit quarterly reports to ICT Steering in the organisation	Municipal Transformation and Institutional Development	Report quarterly to ICT Committee on the functionality of the intergrated document Management System in Registry	Number of reports submitted to the ICT Steering Committee by 30 June 2017 on the functionality of the document management system	Accumulative	Number	4		1	1	1	1	R 800 000		
DCS 9	To administer Council, Exco, Portfolio and staff meetings	Municipal Transformation and Institutional Development	Hold monthly middle management and quarterly staff meetings.	Number of middle management and staff meetings held by 30 Jun 2016	Accumulative	Number	16		4	4	4	4			

Corporate Services Service Delivery Budget Implementation Plan for 2016/17

DCS 10	To administer Council, Exco, Portfolio and staff meetings	Municipal Transformation and Institutional Development	Provide administrative and secretarial assistance for at least 53 meetings of Council by 30 June 2017	Administrative and secretarial assistance provided for at least 53 meetings of Council by 30 June 2017	Accumulative	Number	53		13	13	14	13	R 715 740		
DCS 11	To administer Council, Exco, Portfolio and staff meetings	Municipal Transformation and Institutional Development	Action resolutions of Portfolio Committee & EXCO meetings and report monthly to MM on actioning	Number of reports forwarded to Municipal Manager by 30 June 2017 on actioning of resolutions	Accumulative	Number	11		3	3	2	3			
DCS 13	Develop new Policies and Review existing Policies	Municipal Transformation and Institutional Development	Review 2 HR Policies (.....) and 2 outdated Policies (.....) and submit to EXCO by 30 June 2017	2 HR Policies and 2 outdated policies reviewed and submitted to EXCO by 30 June 2017	Accumulative	Number	4		0	0	0	4			
DCS 14	Conduct needs assessment for use of Service Providers	Municipal Transformation and Institutional Development	Conduct needs assessment for use of Service Providers and submit to EXCO by 31 March 2017	Needs assessments conducted and submitted to EXCO by 31 March 2017.	Carry Over	Number	1		0	0	1	0			

Corporate Services Service Delivery Budget Implementation Plan for 2016/17

DCS 15	To ensure 100% of people employed in the three highest levels of management in the 2015/2016 FY is in compliance with approved equity plan	Municipal Transformation and Institutional Development	Advertise vacant posts of Director Protection Services & Director Planning & Development) in terms of employment equity plan	No of vacant posts advertised in terms of EEP	Stand-Alone	Percentage	2		0	2	0	0	R 4 560		
DCS 16	To ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of the furniture & Equipment (Admin) budget by 31 December 2016	Percentage of furniture & Equipment (Admin) budget spent by 31 December 2016	Carry Over	Percentage	90		0	90	0	0	R 42 000		
DCS 17	To ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of the Parkhome budget by 30 September 2016	Percentage of Parkhome budget spent by 30 September 2016	Carry Over	Percentage	90		90	0	0	0	R 200 000		
	To ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of the Computer Equipment budget by 31 March 2017	Percentage of Computer Equipment budget spent by 31 March 2017	Carry Over	Percentage	90		0	75	90	0	R 1 100 000		

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DCS 18	To ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of the Computer Equipment (insurance claims) budget by 30 April 2017	Percentage of Computer Equipment (insurance claims) budget spent by 30 April 2017	Carry Over	Percentage	90		20	40	60	90	R 100 000		
DCS 19	To ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of the furniture & Equipment (Halls & offices) budget by 31 March 2017	Percentage offurniture & Equipment (Halls & offices) budget spent by 31 March 2017	Carry Over	Percentage	90		0	70	90	0	R 285 000		
DCS 20	To ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of the furniture & Equipment (museum) budget by 30 November 2016	Percentage of the furniture & Equipment (museum) budget spent by 30 November 2016	Carry Over	Percentage	90		0	90	0	0	R 5 000		
DCS 20	To ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of the furniture & Equipment (library) budget by 30 November 2016	Percentage of the furniture & Equipment (library) budget spent by 30 November 2016	Carry Over	Percentage	90		0	90	0	0	R 150 000		

Corporate Services Service Delivery Budget Implementation Plan for 2016/17

DCS 21	To ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Monitor the grants-in-aids paid to Zululand Historical Museum, SPCA, Social Welfare & Tourism and ensure business plans/expenditure reports are received by 31 December 2016	Grants-in-aids paid and expenditure reports received by 31 December 2016.	Accumulative	Number	2		0	4	0	0	R 510 000		
DCS 22	To ensure that the Municipality receives / maintains a Clean Audit in 2015/2016 and submit a report to EXCO on the measures taken to ensure that matters raised in the 2014/15 Audit have been resolved	Good Governance and Public Participation	Submit quarterly reports to MANCO on the implementation of the Corporate Services action plan for issues raised by internal and Auditor-General Audit	Number of reports submitted to MANCO by 30 June 2017 on the implementation of the Audit Action plan	Accumulative	Number	4		1	1	1	1	R 0		
DCS 23	Ensure the implementation of Back to Basics programme and report quarterly to EXCO on initiatives implemented	Good Governance and Public Participation	Complete and submit monthly Back to Basics template report to MM	Number of monthly Back to Basics template report to MM by 30 June 2017	Accumulative	Number	12		3	3	3	3			

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DCS 23(a)	Ensure the implementation of Back to Basics programme and report quarterly to EXCO on initiatives implemented	Good Governance and Public Participation	Complete and submit quarterly Back to Basics template report to MM	Number of quarterly Back to Basics template report to MM by 30 June 2017	Accumulative	Number	4		1	1	1	1			
DCS 23(b)	Ensure the implementation of Operation Sukuma Sakhe programme and report quarterly	Good Governance and Public Participation	Complete and submit Operation Sukuma Sakhe mentorship report to MM by 31 March 2017	Operation Sukuma Sakhe mentorship report completed and submitted to MM by 31 March 2017	Accumulative	Number	1		0	0	0	1			
DCS 24	Development of SMART Organisational Performance Management Systems	Good Governance and Public Participation	Monitor the performance of all Corporate Services staff monthly and ensure that quarterly consolidated performance report is submitted to MM	Number of Consolidated Corporate Services staff Performance report submitted to MM by 30 June 2017	Accumulative	Number	2		0	0	1	1	R 160 400		
DCS 26	Development of SMART Organisational Performance Management Systems	Good Governance and Public Participation	Monitor the performance of the Service Provider for the lease of office equipment and ensure that monthly reports are attached to invoices	Service Provider monitored and assessment reports attached to monthly invoices.	Accumulative	Number	12		3	3	3	3	R 280 820		

Corporate Services Service Delivery Budget Implementation Plan for 2016/17

DCS 27	Development of SMART Organisational Performance Management Systems	Good Governance and Public Participation	Monitor the performance of the Service Provider for telephone services and ensure that monthly reports are attached to invoices	Service Provider monitored and assessment reports attached to monthly invoices.	Accumulative	Number	12		3	3	3	3	R 1 129 410		
	Development of SMART Organisational Performance Management Systems	Good Governance and Public Participation	Monitor the performance of the Service Provider for advertising and ensure that monthly reports are attached to invoices	Service Provider monitored and assessment reports attached to monthly invoices.	Accumulative	Number	12		3	3	3	3			
DCS 28	Review Enterprise Risk Plan	Good Governance and Public Participation	Submit quarterly progress reports to the Municipal Manager on the Corporate Risk Register	Number of progress reports submitted to the Municipal Manager by 30 June 2017 on the Corporate Risk Register	Accumulative	Number	4		1	1	1	1			

2016/2017 SDBIP - PROTECTION SERVICES

REF	STRATEGIC Objective [R]	Municipal KPA [R]	Strategy	Indicator	KPI Calculation Type [R]	KPI Target Type [R]	Annual Target	Revised Target	Q1 - Target	Q2 - Target	Q3 - Target	Q4 - Target	BUDGET	VARIANCE	PLANNED MEASURES FOR IMPROVEMENT
	List	List	500 characters	500 characters	List	List	Number	Number	Number	Number	Number	Number			
DPS 1	To Administer Council, EXCO, Portfolio and staff meetings	Municipal Transformation and Institutional Development	Hold monthly middle management meetings and quarterly staff meetings	Number of middle management and staff meetings held by 30 June 2017	Accumulative	Number	16		4	4	4	4	R 715 740		
DPS 2	To Administer Council, EXCO, Portfolio and staff meetings	Municipal Transformation and Institutional Development	Attend at least 20 Council, EXCO & Portfolio meetings of council by 30 June 2017	Number of meetings of Council attended by 30 June 2017	Accumulative	Number	20		4	6	4	6			
DPS 3	To Administer Council, EXCO, Portfolio and staff meetings	Municipal Transformation and Institutional Development	Provide bi-monthly reports for Protection Services Portfolio Agenda	Number of Portfolio Committee reports provided by 30 June 2017	Accumulative	Number	6		1	2	1	2			
DPS 4	To Administer Council, EXCO, Portfolio and staff meetings	Municipal Transformation and Institutional Development	Action resolutions of Portfolio Committee & EXCO meetings and submit monthly reports to MM	Number of reports forwarded to Municipal Manager by 30 June 2017 on actioning of EXCO & Portfolio Committee items	Accumulative	Number	11		3	3	2	3			
DPS 5	Undertake training for staff and Councillors as per skills development plan by 30 June 2017	Municipal Transformation and Institutional Development	Identify training needs within the Protection department & submit to HR by 31 March 2017 for inclusion in WSP	Training needs identified and submitted to HR by 31 March 2017	Carry Over	Number	1		0	0	1	0	R 348 480		

Protection Services Service Delivery Budget Implementation Plan for 2016/17

DPS 6	Mitigate the effectiveness of disasters	Basic Service Delivery and Infrastructure Development	Hold quarterly meetings with applicable stakeholders to discuss disaster management issues	Number of meetings held by 30 June 2017	Accumulative	Number	4		1	1	1	1	R 650 000		
DPS 7	To implement crime prevention strategies in partnership with the relevant stakeholders	Basic Service Delivery and Infrastructure Development	Hold quarterly meetings with applicable stakeholders to discuss crime prevention strategies	Number of meetings held by 30 June 2017	Accumulative	Number	6		1	1	1	1	R 0		
DPS 8	To Implement Traffic Safety within the Municipality area	Basic Service Delivery and Infrastructure Development	Hold quarterly roadblocks to ensure traffic safety	Number of roadblocks held by 30 June 2017	Accumulative	Number	4		1	1	1	1	R 0		
DPS 9	Ensure at least 90% of total municipal operating budget spent	Municipal Financial Viability and Management	Manage the Municipal Animal Pound Facility effectively and submit quarterly reports to the Portfolio Committee on the activities carried out by the Pound Master	Number of reports submitted to the Portfolio Committee on the Animal Pound activities	Accumulative	Percentage	90		1	1	1	1	R 633 840		
DPS 10	Ensure at least 90% of total municipal operating budget spent	Municipal Financial Viability and Management	Provide quarterly rural fire awareness workshops to communities most affected by fire disasters	Number of fire awareness workshops held by 30 June 2017	Accumulative	Percentage	90		1	1	1	1	R 200 000		

Protection Services Service Delivery Budget Implementation Plan for 2016/17

DPS 11	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of the furniture & equipment (traffic) budget by 31 December 2016	Percentage of budget spent by 31 December 2016 on purchase of furniture & equipment (traffic)	Carry Over	Percentage	90		0	90	0	0	R 80 000		
DPS 12	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of the machinery and equipment (traffic) budget by 31 March 2017	Percentage of budget spent on machinery and equipment by 31 March 2017	Carry Over	Percentage	90		0	0	90	0	R 100 000		
DPS 13	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of the Parkhome (traffic) budget by 30 November 2016	Percentage of Parkhome budget spent by 30 November 2016	Carry Over	Percentage	90		0	90	0	0	R 200 000		
DPS 14	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of the furniture & equipment (fire fighting) budget by 30 April 2017	Percentage of budget spent on furniture & equipment (fire fighting) by 30 April 2017	Carry Over	Percentage	90		0	90	0	0	R 30 000		
DPS 15	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of the machinery and equipment (fire fighting) budget by 30 April 2017	Percentage of budget spent on machinery and equipment (fire fighting) by 30 April 2017	Carry Over	Percentage	90		0	0	90	0	R 30 000		

Protection Services Service Delivery Budget Implementation Plan for 2016/17

DPS 16	Development of SMART Organisational Performance Management Systems	Good Governance and Public Participation	Monitor the performance of all Protection Services staff monthly and ensure that monthly consolidated performance report is submitted to MM	Number of Consolidated Community Services staff Performance report submitted to MM by 30 June 2017	Accumulative	Number	2		0	0	1	1	R 55 340		
DPS 17	Development of SMART Organisational Performance Management Systems	Good Governance and Public Participation	Monitor the performance of security services Service Providers and attach to monthly invoices	Service Provider monitored and assessment reports attached to monthly invoices.	Accumulative	Number	12		3	3	3	3	R 8 622 460		
DPS 18	Development of SMART Organisational Performance Management Systems	Good Governance and Public Participation	Monitor the performance of TMT services Service Providers and attach to monthly invoices	Service Provider monitored and assessment reports attached to monthly invoices.	Accumulative	Number	12		3	3	3	3	R 2 430 000		
DPS 19	Development of SMART Organisational Performance Management Systems	Good Governance and Public Participation	Monitor the performance of Animal Pound Service Providers and attach to monthly invoices	Service Provider monitored and assessment reports attached to monthly invoices.	Accumulative	Number	12		3	3	3	3	R 633 840		

2016/2017 SDBIP - FINANCIAL SERVICES

	STRATEGIC Objective [R]	Municipal KPA [R]	KPI	Unit of measurement	KPI Calculation Type [R]	KPI Target Type [R]	Annual Target	Revised Target	Q1 - Target	Q2 - Target	Q3 - Target	Q4 - Target	BUDGET	VARIANCE / comments	PLANNED MEASURES FOR IMPROVEMENT
	List	List	500 characters	500 characters	List	List	Number	Number	Number	Number	Number	Number			
CFO 1	To Administer Council, EXCO, Portfolio and staff meetings	Municipal Transformation and Institutional Development	Hold monthly middle management meetings and quarterly staff meetings	Number of meetings held by 30 June 2017	Accumulative	Number	16		4	4	4	4	R 715 740		
CFO 2	To Administer Council, EXCO, Portfolio and staff meetings	Municipal Transformation and Institutional Development	Attend 28 Council, EXCO & Portfolio Committee meetings of council by 30 June 2017	Number of meetings of Council attended by 30 June 2017	Accumulative	Number	28		7	7	7	7			
CFO 3	To Administer Council, EXCO, Portfolio and staff meetings	Municipal Transformation and Institutional Development	Provide monthly reports for Finance Portfolio Agenda	Number of reports provided for Finance Portfolio Committee meeting by 30 June 2017	Accumulative	Number	11		3	3	2	3			
CFO 4	To Administer Council, EXCO, Portfolio and staff meetings	Municipal Transformation and Institutional Development	Action resolutions of Portfolio Committee & EXCO meetings & submit monthly reports to MM	Number of reports forwarded to Municipal Manager by 30 June 2017 on actioning of resolutions	Accumulative	Number	11		3	3	2	3			
CFO 5	To ensure the updating of the Contracts Register	Municipal Transformation and Institutional Development	Ensure quarterly reports are submitted to EXCO on all Contracts entered with expiry dates	Number of reports submitted to EXCO on all Contracts entered with expiry dates	Accumulative	Number	4		1	1	1	1			

Finance department Service Delivery Budget Implementation Plan for 2016/17

CFO 6	Develop new Policies and Review existing Policies	Municipal Transformation and Institutional Development	Review 3 budget related policies and submit to Council by 30 May 2016	3 budget related policies reviewed and submitted to Council by 30 May 2016	Accumulative	Number	3		0	0	0	3			
CFO 8	Conduct needs assessment for use of Service Providers	Municipal Transformation and Institutional Development	Conduct needs assessment for use of Service Providers and submit to EXCO by 31 March 2017	Needs assessment for the use of service providers done and submitted to EXCO by 31 March 2017	Stand-Alone	Number	1		0	0	1	0			
CFO 9	Undertake training for staff and Councillors as per skills development plan by 30 June 2017	Municipal Transformation and Institutional Development	Identify training needs within the Finance department & submit to HR for inclusion in WSP by 31 March 2017	Training needs identified and submitted to HR for inclusion in WSP by 31 March 2017	Stand-Alone	Number	1		0	0	1	0	R 348 480		
CFO 10	Undertake training for staff and Councillors as per skills development plan by 30 June 2017	Municipal Transformation and Institutional Development	Provide 2 in-house training/skills development to officials involved in procurement processes by 30 June 2017	No of trainings completed by 30 June 2017 for officials involved in procurement processes	Stand-Alone	Number	2		0	1	0	1			
CFO 11	Enhance revenue collection	Municipal Financial Viability and Management	Achieve a debtors payment percentage of 90% at 30 June 2017 (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off / Billed Revenue x 100)	Payment % achieved at 30 June 2017	Stand-Alone	Percentage	90		90	90	90	90	R 157 010		

Finance department Service Delivery Budget Implementation Plan for 2016/17

CFO 12	Enhance revenue collection	Municipal Financial Viability and Management	Submit monthly reports to to Finance Portfolio Committee on debt collection status by Attorneys	Number of reports submitted to the Portfolio Committee by 30 June 2017 from Attorneys on debt collection	Accumulative	Number	11		3	3	2	3	R 157 010		
CFO 13	Maintain acceptable norm of municipal liquidity management	Municipal Financial Viability and Management	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2017 ((Available cash+ investments)/	Ratio achieved as at 30 June 2017 (Available cash+ investments)/ Monthly fixed operating expenditure)	Accumulative	Number	3		3	3	3	3	R 157 010		
CFO 14	Minimise service delivery distribution losses	Municipal Financial Viability and Management	Limit unaccounted for electricity to less than 8% by 30 June 2017 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated} × 100}	% unaccounted electricity at 30 June 2017 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated} × 100}	Reverse Last Value	Percentage	8		8	8	8	8	R 78 500		
	To ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of the Store for redundant stock budget amount by 31 March 2017 (Actual expenditure/Approved budget)	Percentage of Store for redundant stock budget spent by 31 March 2017	Accumulative	Percentage	90		0	0	90	0	R 1 000 000		

Finance department Service Delivery Budget Implementation Plan for 2016/17

	To ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of the furniture & Equipment budget amount by 31 December 2016 (Actual expenditure/Approved budget)	Percentage of filing container budget spent by 31 December 2016	Accumulative	Percentage	90		0	90	0	0	R 30 000		
	To ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of the car ports budget amount by 30 November 2016 (Actual expenditure/Approved budget)	Percentage of car ports budget spent by 30 November 2016	Accumulative	Percentage	90		0	90	0	0	R 43 450		
CFO 16	To ensure that at least 90% of the Capital /Operating budget amount is spent in the	Municipal Financial Viability and Management	Spend at least 90% of the FMG budget amount by 30 June 2017 (Actual expenditure/Approved budget)	Percentage of FM Grant budget spent by 30 June 2017	Accumulative	Percentage	90		20	50	80	90	R 1 600 000		
CFO 17	To ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of the filing container budget amount by 30 November 2016 (Actual expenditure/Approved budget)	Percentage of filing container budget spent by 30 November 2016	Accumulative	Percentage	90		0	0	90	0	R 77 460		
CFO 18	To ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of the furniture budget by 31 March 2017 (Actual expenditure/Approved budget)	Percentage of furniture budget spent by 31 March 2017	Accumulative	Percentage	90		0	50	90	0	R 100 000		

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CFO 18(a)	To ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of the furniture and fittings - insurance claims budget by 28 February 2017 (Actual expenditure/Approved budget)	Percentage of furniture and fittings - insurance claims budget spent by 28 February 2017	Accumulative	Percentage	90		0	30	90	0	R 30 000		
CFO 18(b)	To ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of the Machinery & Equipment - Insurance claims budget by 30 April 2016 (Actual expenditure/Approved budget)	Percentage of the Machinery & Equipment - Insurance claims budget spent by 30 April 2016	Accumulative	Percentage	90		20	40	60	90	R 100 000		
CFO 21	To ensure that the Municipality receives / maintains a Clean Audit in 2015/2016 and submit a report to EXCO on the measures taken to ensure that matters raised in the 2014/15 Audit have been resolved	Good Governance and Public Participation	Submit quarterly reports to MANCO on the implementation of the Finance action plan for issues raised by internal and Auditor-General Audit	Number of report submitted to MANCO on the implementation of the Audit Action plan by 30 June 2017	Accumulative	Number	4		1	1	1	1			
CFO 22	To ensure that the Municipality receives / maintains a Clean Audit in 2015/2016	Good Governance and Public Participation	Prepare 1 half yearly Interim Financial Statement by 31 March 2017 to ensure material misstatements of liabilities and revenue.	No. of Interim FS prepared by 31 March 2017	Carry Over	Number	1		0	0	1	0	R 39 250		

Finance department Service Delivery Budget Implementation Plan for 2016/17

CFO 23	To ensure that the Municipality receives / maintains a Clean Audit in 2015/2016	Good Governance and Public Participation	Payment to Creditors to be made within 30 days in terms of Section 65 OF MFMA	100% (excluding exceptions) payment to creditors to be made within 30 days	Stand-Alone	Percentage	100		100	100	100	100	R 39 250		
CFO 24	To ensure that the Municipality receives / maintains a Clean Audit in 2015/2016	Good Governance and Public Participation	Ensure compliance in terms of financial reporting with applicable laws and regulations relating to the granting of awards and related internal controls and submit quarterly reports to Portfolio Committee	No. of reports submitted to Portfolio Committee by 30 June 2017 on tender awarded	Accumulative	Number	4		1	1	1	1	R 39 250		
CFO 25	Ensure the implementation of Back to Basics programme and report quarterly to EXCO on initiatives implemented	Good Governance and Public Participation	Complete and submit monthly Back to Basics template report to MM	Number of monthly Back to Basics template report to MM by 30 June 2017	Accumulative	Number	12		3	3	3	3			
CFO 25(a)	Ensure the implementation of Back to Basics programme and report quarterly to EXCO on initiatives implemented	Good Governance and Public Participation	Complete and submit quarterly Back to Basics template report to MM	Number of quarterly Back to Basics template report to MM by 30 June 2017	Accumulative	Number	4		1	1	1	1			

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CFO 25(b)	Ensure the implementation of Operation Sukuma Sakhe programme and report quarterly	Good Governance and Public Participation	Complete and submit Operation Sukuma Sakhe mentorship report to MM by 31 March 2017	Operation Sukuma Sakhe mentorship report completed and submitted to MM by 31 March 2017	Accumulative	Number	1		0	0	0	1			
CFO 26	Development of SMART Organisational Performance Management Systems	Good Governance and Public Participation	Monitor the performance of all Finance staff and ensure that a quarterly consolidated performance report is submitted to MM	Number of Consolidated Finance staff Performance report submitted to MM by 30 June 2017	Accumulative	Number	2		1	1	1	1			
CFO 27	To monitor the performance of Service Providers to ensure value for money.	Good Governance and Public Participation	Monitor the performance of the Service Provider for computer maintenance monthly and attach assessment reports to invoices	Service Provider monitored and assessment reports attached to monthly invoices.	Accumulative	Number	12		3	3	3	3	R 737 390		
CFO 28	To monitor the performance of Service Providers to ensure value for money.	Good Governance and Public Participation	Monitor the performance of the Service Provider for mailing of monthly accounts and attach monthly reports to invoices	Service Provider monitored and assessment reports attached to monthly invoices.	Accumulative	Number	12		3	3	3	3	R 250 640		
CFO 29	To monitor the performance of Service Providers to ensure value for money.	Good Governance and Public Participation	Monitor the performance of asset management Service Provider and attach monthly reports to invoices	Service Provider monitored and assessment reports attached to monthly invoices.	Accumulative	Number	12		3	3	3	3	R 503 610		

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CFO 32	Development of SMART Organisational Performance Management Systems	Good Governance and Public Participation	Monitor the performance of valuation expenses Service Providers and attach monthly reports to invoices	Service Provider monitored and assessment reports attached to monthly invoices.	Accumulative	Number	12		3	3	3	3	R 122 810		
CFO 33	Development of SMART Organisational Performance Management Systems	Good Governance and Public Participation	Monitor the performance of insurance Service Providers and attach monthly reports to invoices	Service Provider monitored and assessment reports attached to monthly invoices.	Accumulative	Number	12		3	3	3	3	R 155 560		
CFO 34	Review Enterprise Risk Plan	Good Governance and Public Participation	Update Finance department Risk Register quarterly and submit to the Municipal Manager	Finance Risk Register updated quarterly and submitted to the Municipal Manager	Accumulative	Number	4		1	1	1	1			

2016/2017 SDBIP - COMMUNITY SERVICES

REF	Directorate [R]	STRATEGIC Objective [R]	Municipal KPA [R]	Strategy	Indicator	KPI Calculation Type [R]	KPI Target Type [R]	Annual Target	Revised Target	Quarter 1	Quarter 2	Quarter 3	Quaretr 4	BUDGET	VARIANCE	PLANNED MEASURES FOR IMPROVEMENT
	List	List	List	500 characters	500 characters	List	List	Number	Number	Target	Target	Target	Target			
DCOM 1	Community Services	To Administer Council, EXCO, Portfolio and staff meetings	Municipal Transformation and Institutional Development	Hold monthly Middle Management meetings and quarterly staff meetings	Number of middle management and staff meetings held by 30 June 2017	Accumulative	Number	16		4	4	4	4	R 715 740		
DCOM 2	Community Services	To Administer Council, EXCO, Portfolio and staff meetings	Municipal Transformation and Institutional Development	Attend 20 Council, EXCO & Portfolio Committee meetings of council	Number of meetings of Council attended by 30 June 2017	Accumulative	Number	20		4	6	4	6			
DCOM 3	Community Services	To Administer Council, EXCO, Portfolio and staff meetings	Municipal Transformation and Institutional Development	Provide bi-monthly reports for Community Services Portfolio Agenda	Number of Portfolio Committee reports provided by 30 June 2017	Accumulative	Number	6		2	1	2	1			
DCOM 4	Community Services	To Administer Council, EXCO, Portfolio and staff meetings	Municipal Transformation and Institutional Development	Action resolutions of Portfolio Committee & EXCO meetings and submit monthly reports to MM	Number of reports forwarded to Municipal Manager by 30 June 2017 on actioning of resolutions	Accumulative	Number	11		3	3	2	3			
DCOM 5	Community Services	Conduct needs assessment for use of Service Providers	Municipal Transformation and Institutional Development	Conduct needs assessment for use of Service Providers by 31 March 2017 and submit report to EXCO	Needs assessment completed by 31 March 2017 and submitted to EXCO	Accumulative	Number	1		0	0	1	0			

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DCOM 7	Community Services	Undertake training for staff and Councillors as per skills development plan by 30 June 2017	Municipal Transformation and Institutional Development	Identify training needs within the Community Services department & submit to HR by 31 March 2017 for inclusion in WSP	Training needs identified and submitted to HR by 31 March 2017	Accumulative	Number	1		0	0	1	0	R 348 480		
DCOM 8	Community Services	To Provide Basic Services to households and address Service Delivery Backlogs	Basic Service Delivery and Infrastructure Development	Provide weekly free basic refuse services to 12000 rural households with available resources	Number of rural households provided with free weekly refuse services	Last Value	Number	12000		12000	12000	12000	12000	R 1 868 850		
DCOM 9	Community Services	Ensure the effectiveness of waste management services in all areas and the provision of recycling facilities at appropriate locations)	Basic Service Delivery and Infrastructure Development	Raise awareness on recycling through 4 sessions with the community by 30 June 2017	Number of sessions held by 30 June 2017	Accumulative	Number	4		1	1	1	1	R 1 776 590		
DCOM 10	Community Services	Ensure the effectiveness of waste management services in all areas and the provision of recycling facilities at appropriate locations)	Basic Service Delivery and Infrastructure Development	Review the Integrated Waste Management Plan (to include recycling and buy-back centres) and submit to council by 30 June 2017	Integrated Waste Management Plan (to include recycling and buy-back centres) reviewed and submitted to council by 30 June 2017	Last Value	Percentage	5		5	5	5	5			
DCOM 11	Community Services	Facilitate early childhood development	Basic Service Delivery and Infrastructure Development	Visit all creches in 26 Wards by 30 June 2017 to monitor the healthyness of the environment for childhood development	Number of Wards visited by 30 June 2017	Accumulative	Number	26		7	7	7	5	R 308 000		
DCOM 12	Community Services	facilitate the transfer all rural community facilities to the Municipality	Basic Service Delivery and Infrastructure Development	Facilitate the transfer of at least 10 rural community facilities to the Municipality by 30 June 2017	Number of community facilities transferred to the municipality by 30 June 2017	Accumulative	Number	10		0	0	0	10	R 30 550		

Community Services Service Delivery Budget Implementation Plan for 2016/17

DCOM 13	Community Services	Contribute towards the development of Sports in the Municipal area	Basic Service Delivery and Infrastructure Development	Develop a plan for sports development for the next five years and submit to EXCO by 31 March 2017	Sports development plan completed and submitted to EXCO by 31 March 2017.	Accumulative	Number	1		0	0	1	0	R 1 000 000		
DCOM 14	Community Services	Provide for the cemetery needs in the Municipal area	Basic Service Delivery and Infrastructure Development	Develop a cemetery plan for the next five years to accommodate future cemetery needs and submit to EXCO by 31 March 2017	Cemetery plan developed and submitted to EXCO by 31 March 2017	Accumulative	Number	1		0	0	1	0	R 450 000		
DCOM 15	Community Services	To create 1650 jobs through various municipal projects / EPWP /CWP/ programmes	Local Economic Development	Create 85 Jobs through Sizabonke programme by 30 June 2017	Number of jobs created by 30 June 2017	Accumulative	Number	85		0	0	0	85			

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DCOM 16	Community Services	To create 1650 jobs through various municipal projects / EPWP /CWP/ programmes	Local Economic Development	Create 100 Jobs through War against Poverty programme by 30 June 2017	No of jobs created through War against Poverty by 30 June 2017	Accumulative	Number	100		0	0	0	100
DCOM 17	Community Services	To create 1650 jobs through various municipal projects / EPWP /CWP/ programmes	Local Economic Development	Create 100 Jobs through Food for Waste programme	No of jobs created through Food for waste by 30 June 2017	Accumulative	Number	100		0	0	0	100

R 6 035 580

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DCOM 18	Community Services	To create 1650 jobs through various municipal projects / EPWP /CWP/ programmes	Local Economic Development	Create 50 Jobs through Weed Eradication programme	No of jobs created through Weed eradication by 30 June 2017	Accumulative	Number	50		0	0	0	50			
DCOM 18(a)	Community Services	To create 1650 jobs through various municipal projects / EPWP /CWP/ programmes	Local Economic Development	Ensure 180 Jobs are created and maintained through various EPWP programmes	No of jobs created and maintained through various EPWP programmes by 30 June 2017	Accumulative	Number	180		0	0	0	180			
DCOM 19	Community Services	To create 1650 jobs through various municipal projects / EPWP /CWP/ programmes	Local Economic Development	Create 1000 Jobs through CWP programme	No. Of jobs created through CWP by 30 June 2017	Accumulative	Number	1000		0	0	0	1000			
DCOM 20	Community Services	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of the furniture and equipment budget amount by 28 February 2017 (Actual expenditure/Approved budget)	Percentage of furniture and equipment budget spent by 28 February 2017	Carry Over	Percentage	90		0	0	90	0	R 40 000		
		Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of the Council's contribution for creches budget amount by 30 June 2017 (Actual expenditure/Approved budget)	Percentage of budget on Council's contribution for creches spent by 30 June 2017	Carry Over	Percentage	90		0	0	0	90	R 1 500 000		

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DCOM 21	Community Services	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of the Machinery & Equipment (P & G) budget by 31 March 2017	Percentage of Machinery & Equipment (P & G) budget spent by 31 March 2017	Carry Over	Percentage	90		0	54	90	0	R 550 000		
DCOM 22	Community Services	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of the playpark Equipment budget by 31 December 2016	Percentage of budget on playpark equipment spent by 31 December 2016	Carry Over	Percentage	90		0	0	90	0	R 250 000		
DCOM 24	Community Services	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of the Playpark toilets budget by 31 December 2016	Percentage of Play park toilets budget spent by 31 December 2016	Carry Over	Percentage	90		0	0	90	0	R 200 000		
DCOM 25	Community Services	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of the Sunnysdale swimming pool shelters budget by 31 October 2016	Percentage of Sunnysdale swimming pool shelters budget expenditure spent by 31 October 2016	Carry Over	Percentage	90		0	90	0	0	R 200 000		
DCOM 25 (a)	Community Services	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of the machinery & Equipment - swimming pool budget by 30 November 2016	Percentage of machinery & Equipment - swimming pool budget spent by 30 November 2016	Carry Over	Percentage	90		0	0	90	0	R 450 000		
DCOM 25 (b)	Community Services	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of the Cemeteries Palisade fencing budget by 30 April 2017	Percentage of Cemeteries Palisade fencing budget spent by 30 April 2017	Carry Over	Percentage	90		0	0	50	90	R 400 000		
DCOM 25 (c)	Community Services	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of the ablution facilities budget by 31 December 2016	Percentage of ablution facilities budget spent by 31 December 2016	Carry Over	Percentage	90		0	90	0	0	R 100 000		

Community Services Service Delivery Budget Implementation Plan for 2016/17

DCOM 26	Community Services	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of the cemetery pathways budget by 30 April 2017	Percentage of cemetery pathways budget spent by 30 April 2017	Carry Over	Percentage	90		0	50	90	0	R 250 000		
DCOM 28	Community Services	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of the Kwabulawayo Sports Field budget by 31 January 2017	Percentage of Kwabulawayo Sports Field budget spent by 31 January 2017	Carry Over	Percentage	90		40	80	90	0	R 8 400 000		
DCOM 29	Community Services	Ensure at least 90% of total municipal operating budget spent	Municipal Financial Viability and Management	Spend at least 90% of the sports development budget by 30 June 2017	Percentage of sports development budget spent by 30 June 2017	Carry Over	Percentage	90		0	0	0	90	R 1 000 000		
DCOM 30	Community Services	Ensure at least 90% of total municipal operating budget spent	Municipal Financial Viability and Management	Facilitate cultural development and ensure 90% budget to be spent by 30 June 2017	Percentage of budget spent on cultural development by 30 June 2017	Carry Over	Percentage	90		0	0	0	90	R 200 000		
DCOM 32	Community Services	Ensure at least 90% of total municipal operating budget spent	Municipal Financial Viability and Management	Implement Special Programmes for Physically challenged, Sports, Youth, Gender issues, Senior Citizens and ensure 90% budget spent by 30 June 2017	Percentage of budget spent on the Implementation of Special programmes by 30 June 2017	Carry Over	Percentage	90		0	0	0	90	R 450 000		
COM 33	Community Services	Ensure at least 90% of total municipal operating budget spent	Municipal Financial Viability and Management	Implement Grass Cutting in Mtunzini and 90% ensure budget to be spent by 30 June 2017 and report to Portfolio Committee	Percentage of budget spent on Grass cutting in Mtunzini by 30 June 2017	Carry Over	Percentage	90		25	50	75	90	R 837 310		

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DCOM 34	Community Services	Ensure at least 90% of total municipal operating budget spent	Municipal Financial Viability and Management	Implement Grass Cutting in Eshowe and ensure 90% budget to be spent by 30 June 2015	Percentage of budget spent on Grass cutting in Eshowe by 30 June 2017	Carry Over	Percentage	90		25	50	75	90	R 750 000		
DCOM 35	Community Services	Ensure at least 90% of total municipal operating budget spent	Municipal Financial Viability and Management	Implement Grass Cutting in Ging and ensure 90% budget to be spent by 30 June 2015	Percentage of budget spent on Grass cutting in Ging by 30 June 2017	Carry Over	Percentage	90		25	50	75	90	R 498 470		
DCOM 36	Community Services	To ensure that the Municipality receives / maintains a Clean Audit in 2015/2016 and submit a report to EXCO on the measures taken to ensure that matters raised in the 2014/15 Audit have been resolved	Good Governance and Public Participation	Submit quarterly reports to MANCO on the implementation of the Community Services action plan for issues raised by internal and Auditor-General Audit	Number of report submitted to MANCO by 30 June 2017 on the implementation of the Audit Action plan	Accumulative	Number	4		1	1	1	1			
DCOM 37	Community Services	Ensure the implementation of Back to Basics programme and report quarterly to EXCO on initiatives	Good Governance and Public Participation	Complete and submit monthly Back to Basics template to MM	Number of monthly Back to Basics template to MM	Accumulative	Number	12		3	3	3	3			
DCOM 37(a)	Community Services	Ensure the implementation of Back to Basics programme and report quarterly to EXCO on initiatives implemented	Good Governance and Public Participation	Complete and submit quarterly Back to Basics template to MM	Number of monthly & quarterly Back to Basics template to MM	Accumulative	Number	4		1	1	1	1			
DCOM 37(b)	Community Services	Ensure the implementation of Back to Basics programme and report quarterly to EXCO on initiatives implemented	Good Governance and Public Participation	Complete and submit monthly Operation Sukuma Sakhe mentorship report to MM	Number of Operation Sukuma Sakhe mentorship report to MM	Accumulative	Number	12		3	3	3	3			

Community Services Service Delivery Budget Implementation Plan for 2016/17

DCOM 38	Community Services	Development of SMART Organisational Performance Management Systems	Good Governance and Public Participation	Monitor the performance of all Community Services staff monthly and ensure that quarterly consolidated performance report is submitted to MM	Number of Consolidated Community Services staff Performance report submitted to MM by 30 June 2017	Accumulative	Number	2		0	0	1	1	R 55 340		
DCOM 40	Community Services	Development of SMART Organisational Performance Management Systems	Good Governance and Public Participation	Monitor the performance of Service Providers for grass cutting in Mtunzini, Ging & Eshowe and attach reports to monthly invoices	Service Provider monitored and assessment reports attached to monthly invoices.	Accumulative	Number	12		3	3	3	3	R 2 085 780		
DCOM 42	Community Services	Review Enterprise Risk Plan	Good Governance and Public Participation	Update departmental Risk Register and submit quarterly progress reports to the Municipal Manager	Community Services Risk Register updated and submitted to MM quarterly	Accumulative	Number	4		1	1	1	1			

2016/2017 SDBIP - ENGINEERING SERVICES

REF	STRATEGIC Objective [R]	Municipal KPA [R]	Strategy	Indicator	KPI Calculation Type [R]	KPI Target Type [R]	Annual Target	Revised Target	Q1 - Target	Q2 - Target	Q3 - Target	Q4 - Target	BUDGET	VARIANCE	PLANNED MEASURES FOR IMPROVEMENT
	List	List	500 characters	500 characters	List	List	Number	Number	Number	Number	Number	Number			
DES 1	To Administer Council, EXCO, Portfolio and staff meetings	Municipal Transformation and Institutional Development	Hold monthly middle management and quarterly staff meetings	Number of middle management and staff meetings held by 30 June 2017	Accumulative	Number	16		4	4	4	4	R 715 740		
DES 2	To Administer Council, EXCO, Portfolio and staff meetings	Municipal Transformation and Institutional Development	Attend at least 20 Council, EXCO and Portfolio meetings of council by 30 June 2017	Number of meetings of Council attended by 30 June 2017	Accumulative	Number	20		4	6	4	6			
DES 3	To Administer Council, EXCO, Portfolio and staff meetings	Municipal Transformation and Institutional Development	Provide bi-monthly reports for Engineering Portfolio Agenda	Number of Portfolio Committee reports provided by 30 June 2017	Accumulative	Number	6		1	2	1	2			
DES 4	To Administer Council, EXCO, Portfolio and staff meetings	Municipal Transformation and Institutional Development	Action resolutions of Portfolio Committee & EXCO meetings and forward monthly reports to MM	Number of reports forwarded to Municipal Manager by 30 June 2017 on actioning of EXCO & portfolio Committee agendas	Accumulative	Number	11		3	3	2	3			
DES 5	Conduct needs assessment for use of Service Providers	Municipal Transformation and Institutional Development	Conduct needs assessment for use of Service Providers and submit to EXCO by 31 March 2017	Needs assessment for the use of service providers conducted and submitted to EXCO by 31 March 2017	Carry Over	Number	1		0	0	1	0	R 19 280		

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DES 9	Undertake training for staff and Councillors as per skills development plan by 30 June 2017	Municipal Transformation and Institutional Development	Identify training needs within the Engineering department & submit to HR for inclusion in WSP by 31 March 2017	Training needs identified and submitted to HR for inclusion in WSP by 31 March 2017	Carry Over	Number	1		0	0	1	0	R 348 480		
DES 10	Facilitate with uThungulu to ensure alignment of water provisioning to relevant Municipal Capital Projects	Basic Service Delivery and Infrastructure Development	Attend meetings with uThungulu to ensure alignment of water and sanitation provisioning to all Municipal Capital and other large scale Projects and submit quarterly reports to Portfolio Committee on meetings attended	Number of reports submitted to the Portfolio Committee by 30 June 2017	Accumulative	Number	4		1	1	1	1	R 19 280		
DES 11	Attend meetings with Eskom to ensure alignment of energy provisioning to Municipal Capital Projects	Basic Service Delivery and Infrastructure Development	Attend meetings with Eskom to ensure electricity provisioning in Municipal wards and submit quarterly reports to the Portfolio Committee on meetings attended	Number of reports submitted to the Portfolio Committee by 30 June 2017	Accumulative	Number	4		1	1	1	1	R 20 510		

Engineering Services Service Delivery Budget Implementation Plan for 2016/17

	To facilitate with Eskom to ensure alignment of electricity provisioning to all Municipal Wards	Local Economic Development	Investigate and implement green energy programmes in relation to energy saving projects such as solar water geysers and submit quarterly progress reports to Portfolio Committee	No of progress reports submitted to portfolio committee by 30 June 2017	Accumulative	Number	4		1	1	1	1			
DES 12	Construct 8.7km of road / causeways as per MIG budget by 30 June 2017	Basic Service Delivery and Infrastructure Development	Construct _____ kms of Matshamhlophe road by 30 June 2017	Kilometer of road constructed by 30 June 2017	Accumulative	Number	....		0	0	.....	.....	R 3 500 000		
DES 13	Construct 8.7km of road / causeways as per MIG budget by 30 June 2017	Basic Service Delivery and Infrastructure Development	Construct _____ kms of Mtipela road by 31 August 2016	Kilometer of road constructed by 31 August 2016	Carry Over	Number	.....		.....	0	0	0	R 1 721 840		
DES 14	Construct 8.7km of road / causeways as per MIG budget by 30 June 2017	Basic Service Delivery and Infrastructure Development	Construct _____ kms of Bele road by 31 December 2016	Kilometer of road constructed by 31 December 2016	Accumulative	Number	.....		.....	.....	0	0	R 4 300 000		
DES 15	Construct 8.7km of road / causeways as per MIG budget by 30 June 2017	Basic Service Delivery and Infrastructure Development	Construct _____ kms of KDS Bus Route road 30 June 2017	Kilometer of road constructed by 30 June 2017	Accumulative	Number	.....		.....	.....	.....	.....	R 10 490 210		
DES 16	Construct 8.7km of road / causeways as per MIG budget by 30 June 2017	Basic Service Delivery and Infrastructure Development	Construct _____ kms of Kangel Street Road 31 December 2016	Kilometer of road constructed by 31 December 2016	Accumulative	Number	.....		.....	.....	0	0	R 8 200 000		

Engineering Services Service Delivery Budget Implementation Plan for 2016/17

	Construct 8.7km of road / causeways as per MIG budget by 30 June 2017	Basic Service Delivery and Infrastructure Development	Construct _____ kms of Mitchelle Street extension 31 March 2017	Kilometer of road constructed by 31 March 2017	Accumulative	Number	.....		.....	.....	0	0	R 2 500 000		
DES 17	To ensure the provision and maintenance of municipal roads, sidewalks and causeways	Basic Service Delivery and Infrastructure Development	Reseal 2km of surfaced roads by 30 June 2017	km of roads resealed by 30 June 2017	Accumulative	Number	2		0	0	0	2	R 5 400 000		
	To ensure the provision and maintenance of municipal roads, sidewalks and causeways	Basic Service Delivery and Infrastructure Development	Reseal 1.5km of surfaced roads - CBD by 30 June 2017	km of roads resealed by 30 June 2017	Accumulative	Number	2		0	0	0	1.5	R 4 500 000		
DES 19	Implement rural roads programme with hired graders - Ensure 2000km of road graded	Basic Service Delivery and Infrastructure Development	Grade 3400km of rural access roads by 30 June 2017	Km of rural roads graded by 30 June 2017	Accumulative	Number	3000		750	750	750	750	R 10 463 930		
DES 20	Create 1650 jobs through various municipal projects / EPWP /CWP/ programmes	Local Economic Development	Create and maintain 135 jobs through Engineering capital projects (EPWP Programmes) by 30 June 2017	Number of jobs created and maintained through Municipal Capital Projects by 30 June 2017	stand alone	Number	135		0	135	0	0	R 4 269 980		

Engineering Services Service Delivery Budget Implementation Plan for 2016/17

	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of intersection - Sunnydale low cost housing budget by 31 December 2016	Percentage of intersection - Sunnydale low cost housing budget spent by 31 December 2016	Carry Over	Percentage	90		0	90	0	0	R 500 000		
DES 21	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of speedhumps budget (in Eshowe, Gingindlovu & Mthunzini) by 30 April 2017	Percentage of speedhumps budget (in Eshowe, Ging & Mtunzini) spent by 30 April 2017	Carry Over	Percentage	90		0	38	63	90	R 200 000		
DES 22	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of Public transport facilities budget by 31 December 2016	Percentage of Public transport facilities budget spent by 31 December 2016	Carry Over	Percentage	90		0	90	0	0	R 240 000		
DES 23	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of Stormwater management facilities budget by 30 April 2017	Percentage of Stormwater management facilities budget spent by 30 April 2017	Carry Over	Percentage	90		0	50	75	90	R 2 000 000		
DES 24	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of Pavement Management facilities budget by 31 December 2016	Percentage of Pavement Management budget spent by 31 December 2016	Carry Over	Percentage	90		0	0	90	0	R 300 000		

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DES 25	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of sidewalks budget by 31 March 2017	Percentage of sidewalks budget spent by 31 March 2017	Carry Over	Percentage	90		0	60	90	0	R 500 000		
DES 26	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of KDS Passage Walks upgrade budget by 28 February 2017	Percentage of KDS Passage Walks upgrade budget spent by 28 February 2017	Carry Over	Percentage	90		0	60	90	0	R 250 000		
DES 27	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of Gingindlovu main Street upgrade budget by 31 May 2017	Percentage of Ging main street upgrade budget spent by 31 May 2017	Carry Over	Percentage	90		0	0	40	90	R 650 000		
DES 28	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of Electrical equipment & upgrade of electricity supply budget by 30 April 2017	Percentage for Electrical equipment & upgrade of electricity supply spent by 30 April 2017	Carry Over	Percentage	90		0	10	20	90	R 860 000		
	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of machinery and equipment - workshop budget by 31 October 2016	Percentage of machinery and equipment budget spent by 31 October 2016	Carry Over	Percentage	90		0	90	0	0	R 8 800		

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DES 34	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of furniture and equipment - buildings budget by 30 November 2016	Percentage of furniture and equipment budget spent by 30 November 2016	Carry Over	Percentage	90		0	90	0	0	R 25 000		
DES 35	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of machinery and equipment - buildings budget by 31 October 2016	Percentage of machinery and equipment budget spent by 31 October 2016	Carry Over	Percentage	90		0	90	0	0	R 50 000		
	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of machinery and equipment - waste management budget by 28 February 2017	Percentage of machinery and equipment - waste management budget spent by 28 February 2017	Carry Over	Percentage	90		0	75	90	0	R 200 000		
DES 36	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of community halls and office buildings budget by 31 December 2016	Percentage of community halls and office buildings budget spent by 31 December 2016	Carry Over	Percentage	90		0	90	0	0	R 1 000 000		
	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of refuse bins budget by 30 November 2016	Percentage of refuse bins budget by 30 November 2016	Carry Over	Percentage	90		0	90	0	0	R 50 000		

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	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of parkhome budget by 30 November 2016	Percentage of parkhome budget by 30 November 2016	Carry Over	Percentage	90		0	90	0	0	R 190 000		
	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of rehab of landfill site budget by 28 February 2016	Percentage of rehab of landfill site budget by 28 February 2016	Carry Over	Percentage	90		0	45	90	0	R 4 500 000		
DES 37	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2017	Municipal Financial Viability and Management	Spend at least 90% of Vehicles budget by 30 November 2016	Percentage of expenditure for Vehicles spent 30 November 2016	Carry Over	Percentage	90		0	90	0	0	R 1 770 000		
DES 38	To ensure that the Municipality receives / maintains a Clean Audit in 2015/2016 and submit a report to EXCO on the measures taken to ensure that matters raised in the 2014/15 Audit have been resolved	Good Governance and Public Participation	Submit quarterly reports to MANCO on the implementation of the Engineering Services action plan for issues raised by internal and Auditor-General Audit	Number of report submitted to MANCO by 30 June 2017 on the implementation of the Engineering Services Audit Action plan	Accumulative	Number	4		1	1	1	1	R 0		

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DES 39	Ensure the implementation of Back to Basics programme and report quarterly to EXCO on initiatives implemented	Good Governance and Public Participation	Complete and submit monthly Back to Basics template report to MM	Number of monthly Back to Basics template report to MM by 30 June 2017	Accumulative	Number	12		3	3	3	3	R 0		
DES 39(a)	Ensure the implementation of Back to Basics programme and report quarterly to EXCO on initiatives implemented	Good Governance and Public Participation	Complete and submit quarterly Back to Basics template report to MM	Number of quarterly Back to Basics template report to MM by 30 June 2017	Accumulative	Number	4		1	1	1	1	R 0		
DES 39(b)	Ensure the implementation of Operation Sukuma Sakhe programme and report quarterly	Good Governance and Public Participation	Complete and submit Operation Sukuma Sakhe mentorship report to MM by 31 March 2017	Operation Sukuma Sakhe mentorship report completed and submitted to MM by 31 March 2017	Accumulative	Number	1		0	0	0	1	R 0		
DES 40	Development of SMART Organisational Performance Management Systems	Good Governance and Public Participation	Monitor the performance of all Engineering Services staff monthly and ensure that quarterly consolidated performance report is submitted to MM	Number of Consolidated Engineering Services staff Performance report submitted to MM by 30 June 2017	Accumulative	Number	2		1	1	1	1	R 55 340		

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DES 41	Development of SMART Organisational Performance Management Systems	Good Governance and Public Participation	Monitor the performance of Rural Roads Grading Service Providers and attach report to monthly invoices	Service Provider monitored and assessment reports attached to monthly invoices.	Accumulative	Number	12		3	3	3	3	R 9 504 230		
DES 42	Development of SMART Organisational Performance Management Systems	Good Governance and Public Participation	Monitor the performance of validator maintenance Service Providers and attach report invoices	Service Provider monitored and assessment reports attached to monthly invoices.	Accumulative	Number	12		3	3	3	3	R 0		
DES 48	Review Enterprise Risk Plan	Good Governance and Public Participation	Submit quarterly progress reports to the Municipal Manager on the Finance Risk Register	Number of progress reports to the Municipal Manager on the Finance Risk Register by 30 June 2017	Accumulative	Number	4		1	1	1	1	R 0		